

Oral Questions

Mr. MacEachen: I welcome the return of the Tory party to the economy, which is evident today by the question of the hon. member. However, the hon. member has asked a whole series of questions with respect to interest rates, economic growth, inflation—

Miss MacDonald: And you can't do anything about any of them!

Mr. MacEachen: —the answers to which would require a very long time.

Mr. Clark: You are Minister of Finance.

Mr. MacEachen: I would refer him to the budget which outlines the economic strategy which is being employed by the government. When any changes are made to that, I would be happy to tell the hon. member for St. John's West. In fact I will try to make sure that he will be the first to know.

Mr. Crosbie: It is 13 months now, and the government has not returned to the economy yet. It has not even turned to the economy.

Some hon. Members: Hear, hear!

POLICY RESPECTING FISCAL AND MONETARY RESTRAINT

Hon. John C. Crosbie (St. John's West): I might quote Don McGillivray in yesterday's paper which said the minister's "first budget, according to non-government economists, increased inflation and reduced economic growth." I hope he will do better on his second.

My supplementary question will be much simpler for the minister. He has a job to understand anything over one syllable. Is it the policy of the minister and the government to exercise fiscal and monetary restraint? It is a very simple question. Is it the policy to exercise fiscal and monetary restraint?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, on the question of monetary policy which is being carried out under the direction of the Governor of the Bank of Canada, as my hon. friend knows, the governor of the bank, not so long ago, adjusted the target range for the growth of the money supply indicating a renewed effort at restraint on the monetary side. The Government of Canada fully supports the Governor of the Bank of Canada in that particular effort. That is the situation on the monetary side.

Has my hon. friend understood that, before I go to the fiscal side and tell him that it is the intention of the government to exercise restraint through a gradual reduction in the deficit, financial requirements, and maintaining restraint on government expenditures? That is on the fiscal side. Does my hon. friend understand that?

POSSIBLE CREATION OF ECONOMIC SLACK

Hon. John C. Crosbie (St. John's West): It has taken 13 months, but the minister is now telling us what his policy is. The minister is the Rip Van Winkle of finance ministers. He has been asleep for 13 months.

● (1420)

If the minister's policy is fiscal and monetary restraint, to create some slack in the economy—he has that policy, I assume—I want to ask the minister this: on January 9 his department said that public support was not yet present for a full program of wage and price controls because there was not enough general or severe slack in the economy, but the department suggested that with a policy of fiscal and monetary restraint the minister could create that slack. Is the minister now attempting to create that slack so that he can come in later in the year and announce a full program of wage and price controls as his department advocated in its paper of January 9?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the answer, clearly, to the question as put is no.

* * *

AUTOMOTIVE INDUSTRY

GOVERNMENT PLANS TO DEAL WITH IMPORTATION OF FOREIGN AUTOMOBILES

Hon. Sinclair Stevens (York-Peel): Madam Speaker, if I may, I would like to put a question to the emperor himself, the Prime Minister. On this economic theme I would like to mention to the Prime Minister that there still appears to be a lack of industrial strategy on the part of his government or, if there is an industrial strategy, it seems to be founded on the exportation of resources on one hand and jobs on the other. Would the Prime Minister indicate what, if anything, the government plans to do with respect to the importation of foreign cars, especially Japanese cars, into this country, and does the government see fit only to have the Minister of Industry, Trade and Commerce go to Washington to talk about the Japanese problem?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker—

Mr. Hnatyshyn: The emperor is not wearing any clothes.

Mr. MacEachen: —I believe the hon. member should be pleased that the Minister of Industry, Trade and Commerce is holding consultations with his counterparts in Washington because obviously, in looking at the impact of Japanese exports, one has to look at in terms of the North American market, and it is in that context that I invite the hon. member to judge the minister's visit to Washington.