

Oral Questions

new measures "at the present time." On Friday he was blaming Canada's economic problems on the U.S. federal reserve system. I am intrigued by the minister's indication that he has no plans "at the present time". What is he holding back from Parliament? Does the minister have any intention at all to bring in the foreseeable future any new economic measures? If so, will he tell us when we might expect those measures and what specific problems they are designed to address?

Mr. MacEachen: Madam Speaker, if the answer would be more agreeable to the hon. member if I deleted the phrase "at the present time", I would do so. It is not my intention now, nor will I decide within a week, two weeks or three weeks, to bring forward a new economic strategy for the country, because in the budget on October 28 I formulated an economic strategy which, in my view, is suited to the current economic climate in the country. I do not propose to change that unless there are some factors down the road which would necessitate change. I do not want the Right Hon. Leader of the Opposition to draw any conclusions from the use of the expression "at the present time" or the word "yet".

Mr. Clark: Madam Speaker, if we have learned one thing about the Minister of Finance, apart from the fact that he has no economic policies, it is that he chooses his language deliberately. This is the third day in five in which he has quite carefully said "no policies yet; no changes at the present time". Now he says there will be no changes unless there is development of some factor down the line.

● (1420)

We want to know whether the government is going to take the budget as its last word. Is it going to ignore the increasing difficulties that his economic policies have caused for the ordinary citizens of this country, or is there going to be a change of heart? Is there going to be a rediscovery of the principles of Father Cody? Is there going to be some willingness on the part of the government to show some compassion for the people of Canada? Are there going to be some new economic measures brought forward by this government within the next three to four months?

Mr. MacEachen: Madam Speaker, the current difficulties, particularly those facing the Canadian exchange rate and interest rates in the country, have nothing to do with budgetary policies. They come from other sources. The right hon. gentleman ought to draw some distinction between the impact of policies which are included in the budget and other forces which affect Canada because we are part of the world. It is not my intention to have the country drop off the planet, even though that was his policy when he was prime minister.

FINANCE**POLICY RESPECTING MONETARY EXPANSION—EFFECT ON CANADA OF UNITED STATES POLICY**

Hon. John C. Crosbie (St. John's West): Madam Speaker, the minister's slogan is "Stop the world, I want to get off". He has done nothing to help economic conditions in Canada today. On Friday the minister disclaimed all responsibility for interest rate policy. He blamed our troubles on the U.S. policy. He said that "it is not a proper application of monetary policy in the current circumstances."

Since the Bank of Canada and the U.S. Federal Reserve Board have both been restricting growth in the money supply and both use higher interest rates because of the inflation threat in order to do that, will the minister now tell us whether he is abandoning his statement in the budget that the Bank of Canada will have his continuing support in holding down the rate of monetary expansion? Has he given a written directive to Governor Bouey that interest rates are not to go up any further in Canada, and has he made any official protests to the United States about the fact that they are pursuing the same monetary policy as he has been pursuing here in Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member obviously has misunderstood the point of my comments on Friday. No one is complaining about the effort of the United States government to control inflation. No one is complaining about the effort of the United States to control the money supply. What I have complained about are the very wide swings in interest rates or the volatility in interest rates which have been part and parcel of the administration of the Federal Reserve Bank since last spring. That is the point to which I take exception and to which I believe other countries undoubtedly take exception as well. Since this fluctuation or volatility in short-term interest rates is having a very adverse effect on Canada in a number of ways, I believe it is appropriate for a country like Canada, when such a development is evident, to make its views known.

The hon. member asked me whether I have made an official protest; maybe that is not the expression he used. I regard the word "protest" as too strong, but I have under consideration making my views on this matter known directly to the relevant officials in the United States.

Mr. Crosbie: Madam Speaker, under this finance minister Canada has the worst of all possible worlds. We have sky-high interest rates, a rapidly foundering Canadian dollar and a floundering government. I have not seen reported any statement by any other finance minister complaining about the U.S. policy with reference to the Federal Reserve Bank.

Some hon. Members: Oh, oh!

Mr. Crosbie: The political nymphomaniacs on my left want to be in bed with the government. They cannot stop themselves. They try to interrupt my questions.

Mr. Nielsen: They do not want to do it legally.