

Oral Questions

that we can have a situation in Canada where we have lower interest rates than the United States over an extended period. We may be able to do it for a few days or a few weeks, but as I have repeated over and over again in the House to my friends, they should realize that if Canadians can get 11.5 per cent for their money in the United States, they will not keep their money in Canada at 9 per cent or 10 per cent. It is as simple as that.

Mr. Deans: In effect the Minister is saying that there is nothing we can do independently, that those people who are now unemployed can continue to look forward to years of unemployment, and that those who have jobs can look forward to further unemployment. In effect, that is what the Minister is saying, that nothing can be done in Canada. Surely he knows that there is a large body of opinion that high interest rates in Canada can do nothing but hinder investment in the country and stall the economic recovery, if in fact there is an economic recovery taking place.

UNEMPLOYMENT LEVELS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is it really necessary for the Government of Canada to replay the disasters of 1981, 1982, and part of 1983, and to allow unemployment to go from 1.5 million to 2 million or 2.5 million people? Is that the only answer with which the Government can come forward to deal with the economic problems facing many people in the country today?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, of course not; of course not. Our policy is not a policy of impotence.

Some Hon. Members: Oh, oh!

Mr. Lalonde: I have indicated to the Hon. Member repeatedly that indeed we have achieved a lot in bringing down the inflation rate in the country, that we have achieved a lot by increasing productivity, that we have achieved a lot by having the largest trade surplus in our history, and that indeed we have achieved a lot by reducing the difference between U.S. interest rates and Canadian interest rates. This has allowed us to be more competitive, more productive, and more efficient, and has prevented us from having even higher unemployment than we have at the present time.

We do not have a high interest rate policy. Our policy is one of having the lowest possible rates of interest that we can achieve in this country. That is what we are working at and trying to achieve. This is the aim of our policy—the lowest possible rate of interest with the highest possible rate of growth in the economy.

Mr. Deans: Surely the Minister recognizes that high interest rates in the years 1981, 1982 and 1983 directly resulted in higher unemployment, higher levels of bankruptcies, both personal and business, and in what virtually turned out to be chaos in the lives of almost two million Canadian families. Surely the Minister also recognizes that to deny those people

and others the opportunity to fend for themselves and create a life for themselves, is to deny that the Government has any responsibility.

GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, surely it is not unreasonable to suggest that if the result of high interest rates will be, without exception, higher unemployment, higher levels of bankruptcy, higher levels of mortgage foreclosures, and more chaos in the economy, the Government must then take it upon itself to pursue a different policy, a policy of lower interest rates, a policy of government responsibility, a policy which says that the Government of Canada will set an interest rate that will satisfy the best interests of Canadians living in Canada, rather than follow an interest rate made in the United States which works havoc with Canadian workers, manufacturers, and employers?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have listened to the tirade of the Hon. Member with a great deal of interest. I have to repeat what I have just told him, that our policy is to have the lowest possible interest rate. That is the Government's policy. I cannot say it in more or in better words. That is our objective. This is what we are trying to achieve at all costs. Once more, the notion that somehow the Government could dictate interest rates here well below those in the United States is living in fairyland. Once more, even NDP supporters would be the first ones to ship their money to the United States if they could get more than in Canada for it. It is as simple as that.

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AGRICULTURE

PLIGHT OF FARMERS PAYING HIGH INTEREST RATES

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Agriculture. Hopefully he will know that there is a very serious agricultural crisis which is worsening day by day. At least 50 farmers in my constituency of Brandon-Souris will not be able to put in their crops this spring, at least in part due to high interest rates. Those high interest rates are partly due to the fact that many farmers in Manitoba and elsewhere in Canada are locked into Farm Credit Corporation loans at 16 per cent or higher. Are the Minister and his Government incapable of doing something to help these farmers, many of them are in their thirties, some of whom are in their forties and sixties, who are being forced off the land by policies of the Government for which it should forever feel ashamed?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the Hon. Member is aware that the Province of Manitoba has some responsibility. Those farmers did not reach the position they are in overnight. Agriculture is a joint responsibility in Canada.