

Oral Questions

Melville on a supplementary, and then the hon. member for St. John's East.

Mr. Hees: Mr. Speaker, would the Prime Minister advise the House, if the House does not adjourn for, say, another couple of weeks, when we can expect the government to announce an industrial strategy which will get the economy moving?

Mr. Trudeau: Mr. Speaker, the question is hypothetical.

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FINANCE

INTEREST RATES—REQUEST FOR ASSURANCE OF NO FURTHER INCREASE—POSSIBLE IMPOSITION OF CONTROLS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, may I direct a supplementary question to the Prime Minister—

Mr. Hees: That's the same old Pierre.

Some hon. Members: Oh, oh!

Mr. Nystrom: If the Prime Minister could pay attention for a moment, Mr. Speaker—

Mr. Hees: There must be a girl in the gallery.

Some hon. Members: Oh, oh!

Mr. Nystrom: Mr. Speaker, may I direct a supplementary question to the Prime Minister.

Some hon. Members: Oh, oh!

Mr. Nystrom: Mr. Speaker, I will try the Minister of Finance. Apparently the Prime Minister does not give a damn. In view of the fact that one of the major United States banks has increased its prime interest rate to a level as high as that of 1969, which was a record, and as Canadian interest rates usually follow those in the United States, can the minister assure this House that there will not be any further increase rates in this country before the end of this year.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I have followed a policy which the House will generally support of not speculating either in terms of the forward movement of interest rates or of exchange rates and, of course, I could not give that assurance.

Mr. Speaker: Hon. members will note that there are a number of members seeking the opportunity to ask supplementaries. I will try to complete the first round of questioning in a moment, and, as I said, the hon. member for Yorkton-Melville and the hon. member for St. John's East may ask their supplementaries.

Mr. Nystrom: Mr. Speaker, in view of the widespread speculation in the country that the banks are likely to increase their interest rates soon in this country, can the Minister of Finance not assure the House and the country that he will impose controls or restraints of some type

[Mr. Speaker.]

upon interest rates so that they will not increase for the Canadian consumer this year?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I cannot give that guarantee.

SUGGESTED REVIEW OF BANK OF CANADA MONETARY POLICY WITH A VIEW TO INCREASING MONEY SUPPLY IN SLOW GROWTH AREAS

Mr. James McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. In view of the unseasonably high rate of unemployment in Quebec and the Atlantic region and the effect that high interest rates are having on those slow-growth regions, may I ask the Minister of Finance if he is prepared to review the present policies of the Bank of Canada of increasing interest rates, with a view to making money more readily available to those slow-growth regions?

Mr. Hees: And don't give us that old stock answer again.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the monetary policy of the Bank of Canada is that of expanding the money supply at a rate sufficient to accommodate the expansion of the economy, which is expanding—

Mr. Hees: That is the same old stock answer.

Mr. Speaker: May we have order please?

Mr. Turner (Ottawa-Carleton): —at an annual rate, taken over the last six months of 12 per cent compounded. I think the House is entitled, in reviewing the figures that were announced today, to recognize first of all that no one, neither Parliament nor the government, is satisfied with the level of unemployment. But we are entitled to recognize that the economy, if we consider June, 1973, over June, 1972, has produced 529,000 new jobs, a rate of 6.2 per cent of new job creation, which is the largest increase of this type in the history of this country.

Mr. McGrath: May I ask the Minister of Finance, by way of a supplementary question, if he feels that an unemployment rate of 12 per cent of Newfoundland, 9.3 per cent in the Atlantic provinces and 7.4 per cent in Quebec for the month of June constitutes a sufficient rate of expansion?

● (1500)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am certainly not satisfied with those unemployment rates, but I think parliament should take note of the fact the trend in unemployment, seasonally adjusted since the turn of the year has decreased from 6.7 per cent to 5.3 per cent.