

[Text]

the moment in respect of the trend of interest rates, which is really what I think you are asking. Certainly an element in this goes far beyond the Bank of Canada policy and that type of thing, it is an expectation by the general public that their money will be worth less X number of years hence than it is today and therefore they are demanding that there be a higher rate paid to them because it gives them some recompense for what appears to them to be an inevitable loss. Generally speaking, I think that we are hopeful that we are at least approaching the peak of this interest rate cycle and, looking ahead a year or so, that the rates will be somewhat less than they are now. How much less I think is almost impossible to assess, but it is certainly our hope and I can almost say our prayer that they will be that way because our own companies, as Mr. Close has pointed out, are bound to have difficulties and to suffer somewhat in periods of rising interest rates. We would much prefer to see them moving in the opposite direction or, best of all, remain more or less stable, as they did for so many years.

To answer the question precisely, I think one could say that we are hopeful that we are approaching or at least very close to the end of the upward spiral and we may be in for some lessening in rates. However, I think it is really dependent upon the expectations of the

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public as to whether or not they feel that inflation has been checked. Once that psychological attitude has changed then I think we might see what we think might be more realistic, under the then circumstances, rates than there are today, and certainly somewhat lower.

**Mr. Lambert (Edmonton West):** Thank you, Mr. Chairman.

**Mr. Harkness:** I am quoting from your conclusion on page 10:

We believe that current high interest rates are the product of inflation, of the expectation that it will continue and of fiscal and monetary policies designed to combat it.

What is your view of the fiscal and monetary policies now in effect designed to combat inflation, and what has been the effect of what is generally referred to as the tight money policy on your own operations?

**Mr. Bean:** Mr. Chairman, I think I can speak for all the companies when I suggest we are in agreement with the steps which have been taken and the very great need for

[Interpretation]

tence de la Banque du Canada, c'est l'expectative du public, au sujet de la valeur de son argent dans un certain nombre d'années. Il veut plus aujourd'hui pour compenser les pertes qu'il essuiera, croit-il, inévitablement. Nous espérons que dans un an ou deux les taux de l'intérêt vont baisser. De combien? C'est difficile à dire.

Nous espérons que nous approchons du sommet et qu'ensuite les taux baisseront. Cela dépend vraiment de l'impression du public. Dès que son attitude aura changé, nous aurons des taux plus réalistes.

**M. Lambert (Edmonton-Ouest):** Merci monsieur le président.

**M. Harkness:** Je cite vos conclusions à la page 10:

Nous croyons que les taux élevés d'intérêt courants résultent de l'inflation, de l'expectative qu'elle continuera et des mesures fiscales et monétaires prises pour la conjurer.

Que pensez-vous des politiques fiscales et monétaires présentement en vigueur pour réprimer l'inflation et quel a été l'effet sur votre secteur de la contraction du crédit?

**M. Bean:** Monsieur le président, je pense pouvoir parler au nom de toutes les compagnies en disant que nous sommes d'accord avec les mesures qui ont été prises et le fait