

he got up in the House and said he had no control over interest rates, that he cannot do anything, that he is powerless that they went up yesterday 1.38 per cent. He said he could do nothing about it.

The minister cannot be right on both occasions. We know that he has tremendous flexibility. He is the most flexible of the Liberals. To be the most flexible of the Liberals is the same as being a boa constrictor greased with vaseline. You are really flexible if you are the most flexible of the Liberals. He cannot have it both ways. If the government can keep Canadian interest rates lower than U.S. interest rates, obviously it could have acted yesterday to keep rates from going up, if that were the policy the government wanted to adopt. There is free will in this area.

What prevents Canada from having the rational possibility of many other choices is the lack of policies of the government over the last 12 years. That is what makes it difficult. There are alternatives, but they do not include wage and price controls. Our flexible Minister of Finance cannot stand up in the House one day, say how, through his efforts and those of Mr. Bouey, our rates are being kept behind U.S. interest rates by 3 per cent and then, a day later, look across the House and ask for sympathy. He will get no sympathy from us. A year ago he acted to get himself back into power. Now that he is there, he does not know what to do. He looks around beseeching the House to grant him a dispensation of mercy.

The minister now wants us to ignore advice that he and the government's financial critic gave last year. Here is what the Minister of Industry, Trade and Commerce (Mr. Gray) said last year when he was finance critic. By the way, a portion of his leg is damaged. He is not with us any longer. He has been gone during these trying days. We hope he will get better soon and that the next time he breaks something, it is more important.

He said on March 10 last that he was pleased with the new floating rate approach to interest policy of the Bank of Canada. He was pleased with the new floating rate policy. What was he so pleased about? Is the Minister of Industry, Trade and Commerce still pleased today with the new floating rate approach? It is not a floating rate, it is a flooding rate. It is too bad he is not here to tell us that.

What happened to the Minister of Energy, Mines and Resources (Mr. Lalonde) who, on November 13 last year, page 1251 of *Hansard*, said the PC government seemed to have "adopted Mr. Volcher's economic Malthusianism approach in the United States". What approach is being adopted now? Mr. Volcher is still in charge of the Federal Reserve Bank in the United States.

The Acting Speaker (Mr. Ethier): Order, please.

Mr. Crosbie: May I call it one o'clock?

The Acting Speaker (Mr. Ethier): It being one o'clock the House stands adjourned until 2 p.m.

At one o'clock the House took recess.

International Conventions

● (1400)

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Ethier): Order, please. When the House rose at one o'clock the hon. member for St. John's West (Mr. Crosbie) had the floor.

Mr. Crosbie: Mr. Speaker, I want to conclude my remarks by giving a piece of advice to the Minister of Finance, and it is that he stop being the Uriah Heep of western finance ministers and that he stop getting up in this House, wringing his hands, alleging he has no power or control over Canadian interest rates, bank rates, the Canadian dollar, or Canadian economic policy generally. A year ago he tricked and connived his way back into power and it behooves him today to try to blame everything that is happening on United States policy. He has the authority in his hands. He can do it if he wants to exercise that authority. He needs to bring in a new budget and put behind him this cop-out which he brought in on October 28.

It is the worst budget since Herbert Hoover. It is the Boulder Dam of balderdash in the financial world. This document he brought in was dictated by the Minister of Energy, Mines and Resources, the sinister Svengali, the Rasputin of the government, who is controlling everything. I commend to the Minister of Finance his companion, the Minister of State for Finance. The Minister of Finance should take notice that the Prime Minister (Mr. Trudeau) is depending on that gentleman to answer all his questions for him in the economic area. If I were the Minister of Finance I would feel a cold shiver going up my spine at the sight of the Prime Minister so heavily dependent on the Minister of State for Finance. I think this augurs great things for the Minister of State for Finance, and the Minister of Finance might well watch his own back during the next few months.

We have an agreement here. We do not want to hold this up; it has been held up for something like ten years. Now the Liberians are being cast aside for another period of one or two years. I will sit down so my companion from Vancouver Quadra can bring to bear his share of intelligence on this bill.

Mr. Bill Clarke (Vancouver Quadra): I want to thank my colleague, the hon. member for St. John's West (Mr. Crosbie), for that introductory remark. Mr. Speaker, my colleague is quite right about the length of time the debate has been going on. I suppose one of the reasons it takes so long to consider matters like this is that everybody thinks taxation is confusing, and it is, to a lot of people. When you get to a tax convention, that makes it all the more confusing.

● (1410)

Let us take a look at the history of conventions. The basic purpose of tax conventions was to eliminate the problem of double taxation for individuals who might live in one country and earn income in another. They might thereby become subject to regular taxation in the country where they earn