

*Oral Questions**[English]*

## REQUEST FOR PUBLICATION OF O'FARRELL REPORT

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, my supplementary question arises out of the Prime Minister's answer. He said that we have a variety of figures, some from different Ministers in his own Cabinet. For that reason, and because of his campaign promise of freedom of information and more open Government, I ask him now to make a commitment to make the O'Farrell Report public. It is a question of credibility for the Prime Minister and his Government.

**Some Hon. Members:** Right on.

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, when an NDPer talks about credibility he should choke on the words.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** You supported your sweethearts in the Liberal Party—

**Mr. Broadbent:** You're an embarrassment.

**Mr. Mulroney:**—who brought in the NEP that crushed, not only western Canada, but the refining industry in eastern Canada. You should be ashamed of yourself for even asking the question.

**Some Hon. Members:** Hear, hear!

**Mr. de Jong:** Bye, bye.

**Mr. Mazankowski:** Shame.

**Mr. Nystrom:** Bye, bye, Brian.

**Mr. de Jong:** Bye, bye, Charlie.

**Mr. Speaker:** Order, please!

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## THE ECONOMY

## INTEREST RATE LEVELS—ACTION TAKEN BY BANK OF CANADA

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, yesterday I asked the Minister of Finance if it was the policy of the Government to push the interest rate up to protect the value of the Canadian dollar and he said no. While the Minister of Finance was saying no in the House, the Bank of Canada was active in the marketplace pushing the rate of interest up to a point where major banks had to increase their prime rate.

My question is very simple. Who is in charge? Why was the Minister of Finance saying one thing in the House yesterday while his agent, the Bank of Canada, was acting differently?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Hon. Member does need some lessons in the way the financial markets work.

**Some Hon. Members:** Oh, oh!

**Mr. Lapierre:** From you?

**Mr. Rossi:** You won't be the teacher.

**Mr. Speaker:** Order!

**Mr. Gauthier:** How about Northland?

**Mr. Speaker:** Order, please. Order, please!

• (1440)

**Mr. Wilson (Etobicoke Centre):** The Hon. Member is correct. There has been some upward pressure on interest rates over the last little while, as there has been in international markets in other countries. However, the Hon. Member must recognize that he should look at the performance of interest rates in the broad context of the economic performance of the country over the course of the last 16 months, where 450,000 jobs have been created, where interest rates are now about 2.5 percentage points lower than they were in September, 1984, when we came into office. These are things that have demonstrated clearly to Canadians that the economic policies of this Government are working.

**Some Hon. Members:** Hear, hear!

*[Translation]*

## SETTING OF INTEREST RATES—GOVERNMENT POSITION

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, if I understand correctly, when interest rates fall it is the Government's doing, and when they rise, it is other people's fault.

I want to get back to my question because it is a very important one, an issue that may determine the exchange rate of the Canadian dollar in the weeks to come. Is it the policy of this Conservative Government to push up interest rates in order to protect the Canadian dollar? Did the Bank of Canada have the consent of the Minister of Finance when it acted as it did yesterday?

*[English]*

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, there is no difference at all in the action of the Government of Canada and the policies of the Government of Canada. We are completely consistent in the approach we are taking.

The Hon. Member has been in the financial markets over a number of years. He knows that interest rates will fluctuate. We had a situation about a year ago, in February and March of last year, when interest rates rose. There was a downward pressure on the Canadian dollar at that time but markets reversed themselves and we had a drop in interest rates