randa from within those notices produced but that it is the Department of Fisheries and Oceans which is holding up the production of a whole lot of those papers?

Mr. Smith: Madam Speaker, I am endeavouring to accommodate the hon. member. I hope we will be able to produce those papers quite shortly.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some hon. Members: Agreed.

Madam Speaker: Orders of the day.

Mr. Deans: Madam Speaker, before we proceed to orders of the day, I have had the opportunity to consult with the hon. member for Humboldt-Lake Centre (Mr. Althouse) and the hon. member for Kamloops-Shuswap (Mr. Riis). Both members are agreeable to having the motion in the name of the hon. member for Kamloops-Shuswap called today, if you find that appropriate, Madam Speaker.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—HIGH INTEREST RATE POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap) moved:

That in view of the fact the Bank of Canada's high interest rate policy has been a major factor leading to unacceptably high levels of unemployment, unacceptably high levels of bankruptcy and unprecedented low levels of consumer and investor confidence, this House calls upon the Government to demand that the Bank of Canada reduce interest rates and to introduce a New Employment Option for Canada in an effort to reverse the current recessionary trend.

He said: Mr. Speaker, today is apt to be a very important day for Canada. Earlier today the consumer price index was announced. We learned that inflation was up over last month 0.2 of a percentage point. It was up over the same period last year by 1.2 per cent. I am sure this news was not necessarily expected either by the Minister of Finance (Mr. MacEachen) or by the people of Canada. We had been given to believe that the recessionary trend had been slowed, that it is now being reversed and that the consumer price index would likely show a reduction today. But that is not the case.

On top of that, a few minutes from now the Bank of Canada will be making public its annual report. In essence, it will be a Xerox copy of last year's report indicating that after seven years of monetary policy the Bank of Canada feels it appropriate to continue giving it a try for another year to see if the present policy is adequate enough to reduce the inflationary trend.

The government's monetarist policy is supported by its fiscal policy as outlined in the budget introduced on November 12, 1981. I want to say that we in the New Democratic Party feel that the monetarist and fiscal policies of the government are inappropriate, are inadequate, are heartless and cruel; that the monetarist and fiscal policies attempt to fight inflation on the backs of those Canadians who can least protect themselves, such as those on fixed incomes, the 1.8 million unemployed, the elderly, single parents and the like.

I think this begs the question: Why does the government have these policies? Why does the government continue with a policy of high interest rates and the type of fiscal policy that it has? I might add that the monetary policy is supported by the Progressive Conservative Party, its previous finance critic, and the leader of the Progressive Conservative Party is on record on a number of occasions as saying that his party supports the high interest rate policy, that it is the appropriate policy to combat inflation. Why, then, do the Progressive Conservative Party and the Liberal Party pursue this particular policy? The Liberals and the Conservatives have allowed the structure of our economy to become dependent on and vulnerable to the American economy.

The real problem Canada faces today is the fact that our economy is so closely tied to that of the United States. The important thing that we as members of this House must now begin to appreciate like never before is that the present monetarist and fiscal policies essentially exacerbate the particular structural problem of our vulnerability to U.S. economic trends.

Our present monetary and fiscal policies increase the level of foreign ownership in our economy. These policies do not reduce the amount of foreign ownership in Canada. All we have to do is to look at the backing away from the FIRA proposals on the part of the government, with the support and encouragement of the Progressive Conservatives.

The present monetarist policy hurts Canadian companies having to compete with offshore companies. An interesting example of this was pointed out a few days ago by one of my colleagues. He told us that a foreign company could build a ship in Canada, and is allowed a 20 per cent subsidy to do so by the federal government. But if a Canadian company wants to build a ship here, it is allowed only a 9 per cent subsidy. In other words, we are quite willing to provide greater subsidies to foreign companies for them to build ships in Canada.

Our monetary policy increases foreign competition in our country. All we have to do is look at the nature of our branch plant economy and the fact that branch plants tend to source their parts, components and services from their parent companies. That situation is worsening as a result of present monetary policy. Our present fiscal and monetary policies certainly reduce the level of research and development in this country. These policies increase our indebtedness to foreigners. In 1980 alone, the net outflow in dividends and interest payments to foreigners totalled $5.5 billion. That is a considerable amount of money being drained out of this country on an annual basis which does very little to improve the balance of payments situation in Canada.