

*Oral Questions*

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

**Mr. Broadbent:** Considering that the prime rate is now 19.5 per cent, considering that mortgages are approaching 20 per cent, and considering that the cost of living is now higher by 12.5 per cent, I would like to ask the Prime Minister, instead of continuing with these ruinous high interest rate policies, why does he not deliver on the promise he made in the last election campaign to the people of Canada?

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

● (1430)

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, you will recall that in the context of that campaign we indicated that high interest rates and slow growth did not make sense. That is why we campaigned against them.

**Mr. Broadbent:** And now they do!

**Mr. Trudeau:** The Leader of the New Democratic Party is now showing his ignorance. If he had listened to the statistics given by the minister he would have realized that we are now in a period of high growth and high employment.

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

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

**Madam Speaker:** Order, please. I am afraid hon. members have accumulated too much energy over their break, but so have I and I intend to keep them straight.

**Mr. Trudeau:** Madam Speaker, you must be as bewildered as I at the groans when I mention high growth. Surely an 8 per cent real growth rate in the last quarter and a 4 per cent to 6 per cent real growth rate in the present quarter are, indeed, a high growth rate. If they suspect anything different, they are ignorant of the facts.

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

## ANNUNCIATION OF GOVERNMENT POLICY

**Mr. Edward Broadbent (Oshawa):** Madam Speaker, speaking of ignorance, I would point out to the Prime Minister that I asked him a question about interest rates and the cost of living, and nothing to do with job creation. If the promise made sense in November of 1979, when the Prime Minister was Leader of the Opposition, it surely makes sense to implement it now, when he is Prime Minister of Canada.

The government is continuing to mislead the people of Canada. The minister responsible for housing has indicated that he would like a shelter allowance provided to the people of Canada; the Minister of National Health and Welfare has talked about increasing the tax exemption for children and other ministers want to change the Bank Act, especially the Minister of Agriculture who wants to help farmers. With regard to each of these instances the Minister of Finance has said that the idea is ridiculous, or he has done nothing about

them. I would like to ask the Prime Minister: who speaks for the Government of Canada? Is it these ministers who are making promises to the people of Canada, or is it the Minister of Finance who is turning them all down?

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

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, I cannot understand the attitude taken by the Leader of the New Democratic Party when he says I talk about high employment and high growth. Surely these issues are linked, as he knows. If you want to fight inflation at all costs, you can follow the route followed by other industrialized countries which have brought inflation down very drastically but at a cost of very high rising unemployment and at a cost of zero or negative growth in their economies. Surely as erudite a man as the Leader of the New Democratic Party would understand that there is some linking between these concepts. I say that on balance, which is the position we took in the last campaign, we prefer to see employment growth and economic growth. That is our choice, rather than stagnation. I am surprised that we do not have the support of the New Democratic Party.

**Mr. Broadbent:** Madam Speaker, we have not decided to join with the conservatives in this country or with those south of the border in terms of implementing the kind of reactionary economic policy that the Liberals are forcing on the people of Canada.

## REQUEST FOR IMPLEMENTATION OF LOW INTEREST RATE POLICY

**Mr. Edward Broadbent (Oshawa):** Considering that the Prime Minister argued in the fall of 1979 that a low interest rate policy made sense then, and considering that we in this party and many economists in the country believe it makes sense now, will the Prime Minister instruct the Minister of Finance to implement what he promised to the people of Canada in the last election campaign and instruct the Governor of the Bank of Canada to bring down interest rates? If the Minister of Finance does not do this, will the Prime Minister fire him?

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

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, I have indicated in my answers that, in my view, the question is one of over-all management of the economy, not separately attacking interest rates and employment as though they were unrelated.

In answer to the specific question as to the effect of in some way forcing down interest rates, I would point out to the Leader of the New Democratic Party that this would mean exchange controls, and until he is prepared to advocate that I would say that we are not prepared to listen to him.