Secondly, the honourable senator says that he does not want to turn on the printing presses and let the funny money roll; yet he attacks the policies of the Governor of the Bank of Canada without offering any reasonable alternative whatsoever as to how we can contain inflation in this country and, ultimately, lower interest rates and continue the prosperity that we have enjoyed for the past four or five years.

Thirdly, let me remind him, since he brought up the situation in western Canada, that one of the main differences between the situation that existed in 1981 and that which exists now in the region is that we do have agencies such as the Western Development Office and the Atlantic Canada Opportunities Agency.

Senator Perrault: What a memory! We invented the idea.

Senator Olson: But they are not helping anyone!

Senator Murray: The honourable senator says they are not helping anyone. What they are doing is mitigating the effects of high interest rates on entrepreneurs and businesses in those regions. Indeed, the help that we have been providing since 1984 to the resource industry and, in particular, to agriculture has had much the same result: helping to mitigate the effects of high interest rates.

Finally, I tell him that, yes, when he proceeds with his notice of inquiry either I or one of my colleagues will speak for the government on this matter.

Some Hon. Senators: Hear, hear!

Senator Olson: Honourable senators, I have to tell the minister this, whether it is being too modest or not: A lot of people in this country are not particularly interested in what I think about monetary policy because I am not in the government; but they are interested in what the government thinks, and at the moment they do not know—

Senator Murray: Oh, yes, they do.

Senator Olson: —except that they are blindly following John Crow, the Governor of the Bank of Canada. That is all. They do not know what the policy is going to be. What they do know is that they cannot afford to pay the interest charges, because they are now well over 15 per cent for most people who have any problem at all with their credit rating—14 1/2 per cent prime plus 1 or 2 per cent for most customers. That is the reason.

I should also tell him that if he is trying to equate the situation of 1982 with what is happening today, he ought to take into account that there was a worldwide situation that affected interest rates in other countries. At the present time our interest rates are 42 per cent higher than those in the United States. In the United States it is around 10 per cent prime and here it is 14 1/4. If my calculations are correct, 4.25 over 10 is 42 1/2 per cent. So they are about 42 per cent higher in Canada than they are in the United States. That was not the case in 1980, 1981 or 1982.

So if the government leader is trying to give that kind of explanation of why there seems to be a complete bankruptcy of ideas and policy with respect to this government in the monetary field, that excuse will not wash. However, I am very happy, honourable senators, that he has at least consented to participate in the debate, because to that extent we can have some understanding. We know that he is an expert on monetary policy, because a few years ago he used to ask questions about monetary policy at least every Thursday and sometimes more often.

WEST GERMANY AND EAST GERMANY

GOVERNMENT POLICY ON UNIFICATION

Hon. Jerahmiel S. Grafstein: I have a question for the Leader of the Government in the Senate. If events in central Europe continue at the same pace as we have witnessed in the last few weeks, it appears that the year 1990 will mark the unification of East Germany and West Germany.

Would the Leader of the Government in the Senate, in the near future, give us the benefit of the government's policy respecting the unification of West Germany and East Germany? In particular, what Canadian position or policy, if any, is there with respect to a unified Germany within NATO?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, both the Prime Minister and the Secretary of State for External Affairs have commented in various forms within the past couple of weeks on this subject. However, I will see what I can do to consolidate their statements into a single policy statement on the subject. I will bring it into the house at an early date.

PAY EQUITY

INCOME TAX IMPLICATIONS FOR HOSPITAL WORKERS

Hon. Lorna Marsden: Honourable senators, you will recall that late last year, after years of dispute, the low-paid hospital workers, most of whom are female, were awarded pay under the equal-pay-for-work-of-equal-value policy of the government. On December 20, 1989, I asked the Leader of the Government in the Senate whether the government had investigated the impact of the equal-pay payments on the income tax cost to those hospital workers. I received last week the delayed answers. They did not respond to the question of the impact of the payment on the income tax of those hospital workers.

As we approach the season when that tax has to be paid, I ask once again if the Leader of the Government will respond precisely on that point, that is, whether some arrangement has been made with those hospital workers on the payback to average their income tax or provide them with some relief.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): I shall make inquiries, honourable senators.