● (1420)

PRIME MINISTER'S POSITION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I read every word of the Prime Minister with great attention, because he is a vanishing specimen. He will soon be gone. My question to the Prime Minister is not on what he now understands. It is to ask why he deceived the Canadian people four and one-half years ago. Why did he not then give the explanation he gives us now? The Prime Minister said then that we could have greater independence in interest rate policy. Now he is saying we can have no independence. Is it because of the incompetence of the Prime Minister and his Government that the chance for independence has gone?

Let me put this to the Prime Minister. Last Thursday he said that Members should understand that interest rates in Canada are a direct reflection of interest rates in the United States. If he did not understand that in 1980, after 12 years in power, and told the Canadian people the opposite, how can he now expect Members to understand the opposite of what he told and promised the Canadian people?

Does the Prime Minister now say we have no influence over our economic destiny? Is this where the Prime Minister is proposing to lead Canadians after 16 years of their putting trust in him, saying we have no options?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not proposing to lead the Canadian people. The Hon. Member just said that I was a vanishing species. Therefore, I will not be leading them.

If he asks about whether it is possible to have a measure of economic independence from the United States, the answer is yes. In the 1980 campaign we pointed out several ways in which the Government would continue to assert its independence over its economic destiny. We did this with many measures, not all approved by the Opposition. For instance, in the area of foreign investment we know that foreign investment cannot come here, even with higher interest rates or higher returns promised to its shareholders, if it is not cleared by the Foreign Investment Review Agency. We know the same is true in the area of banking, and in the area of investment in financial institutions. There are areas where we can be independent, where the interest rates and the dividends and so on can be made to differ by the Canadian Government.

Once again, without over-all controls we cannot isolate ourselves completely in every area from the American market. The example I gave last week is true for every country in the world, particularly every industrialized country. They are seeing the value of their currency devalued because citizens of their countries, like citizens of Canada, are sending their money to the United States where they can get higher interest. Even in the case of the less developed countries, the Third World, they are being very heavily penalized by high interest rates in the United States. It is causing them to have to pay world-wide interest for their borrowings in the United States. They are paying high interest rates because of the interest rate prevailing for the American dollar.

SECRETARY-GENERALSHIP OF ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, we have heard the Prime Minister admit that he is beaten, that he is whipped by these economic problems. The Prime Minister is now asking the OECD nations to accept this country's Minister of Finance as the new Secretary General of the OECD. We know that the United States is supporting a French diplomat, anyone but our Minister. What are the chances of the Canadian Minister, in the view of the Prime Minister? Will the Prime Minister explain why the OECD should accept a Minister from the Prime Minister's Government in view of this Government's tragic economic failures? Is it that the Government wants to spread the misery by sending—

Mr. Speaker: Order. The Chair has concern about this as a supplementary flowing out of previous questions. A supplementary should come out of an answer previously given. This appears to be raising the question of an appointment.

Mr. Crosbie: Mr. Speaker, I will rephrase my final supplementary.

● (1425)

In view of the Government's record regarding interest rates and the economy in general, why does the Prime Minister have the audacity to ask the OECD to accept a failed Minister of Finance as its new Secretary-General?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member suggests that I am leaving because I am beat. He must surely remember December, 1979. I still command a majority in the House, Mr. Speaker. I am not beat. The Hon. Member was beaten, and his Budget was beaten. That is why they are sitting on that side of the House, and they will sit on that side for a long while. I think the reason why they will, Mr. Speaker, is because of the extraordinary pettiness and ungraciousness of the Hon. Member, supported by laughs from the Hon. Member for Kingston and the Islands and everyone else, when they attack the desire of the Canadian Government to have a Canadian as Secretary-General of the OECD.

The Tories are unable to rise above petty politics even when it is a question of Canada's prestige abroad. They would prefer a socialist from France to a Liberal from Canada, and that is the measure of their thinking.

Some Hon. Members: Hear, hear!

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ENVIRONMENTAL AFFAIRS

ACID RAIN—CONTROL OF INDUSTRIAL EMISSIONS

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my question is directed to the Minister of the Environment. He will know that acid rain and its impact on over 90,000 Canadian lakes continue to be one of our most urgent and pressing environ-