

summer, and therefore he has implicitly acknowledged it is government responsibility, I ask the minister if he will exercise his authority under section 14(2) of the Bank Act and issue a directive to the governor of the Bank of Canada to roll back the most recent increase to avoid the kinds of evils in the economy which the Prime Minister himself alluded to last spring.

**Mr. Clark:** Mr. Speaker, the answer to this specific question is no. In reference to the rather lengthy preamble, our determination is to create economic conditions in this country which will allow interest rates to come down.

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

**Mr. Chrétien:** Why don't you bring in a budget?

POLICY ON INTEREST RATES—SUPPORT FOR GOVERNOR OF  
BANK OF CANADA

**Mr. Ed Lumley (Stormont-Dundas):** Mr. Speaker, my question is for the Minister of Finance. With all due respect, in response to the question posed by my colleague, the hon. member for Windsor West, the minister did not adequately respond.

Will the Minister of Finance confirm his unequivocal support for the governor of the Bank of Canada and assure this House that he will remain in his job, or are we witnessing another Coyne affair which took the Diefenbaker government three years to fall out with the governor of the Bank of Canada, and this government five months?

**Hon. John C. Crosbie (Minister of Finance):** Mr. Speaker, let me put it beyond any doubt. Mr. Bouey has my full support. He has had my full support since June 5, and he will continue to have my full support. I think he is doing an excellent job. He is a very capable man who is doing his best in very difficult circumstances.

There is no question that he has been asked to take any action against his will or to take any action that he does not want to take, nor will he ever receive any threats or have anything to fear from this government. That is all I can say to put the hon. member's mind at rest.

The governor is taking the action that our economic conditions dictate, that our perilous position with reference to our trade balance dictates by its own inflationary tendencies.

**Mr. Lumley:** Mr. Speaker, I ask the Minister of Finance, is it going to be the same kind of support as that given to Bill Hood, former deputy minister of finance and a very responsible senior public official? Would the Minister of Finance confirm that after Mr. Hood's dismissal he had a meeting with his senior officials, at which time he outlined his support for Mr. Hood, and that the decision was imposed by the Prime Minister's office?

**Mr. Chrétien:** Shame.

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

*Oral Questions*

**Mr. Crosbie:** Mr. Speaker, I do not see how this is a supplementary; but I do not want to "Hoodwink" the hon. gentleman, either!

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

**Mr. Crosbie:** The former deputy minister of finance, Mr. Hood, has my full support as a very capable—

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

**An hon. Member:** That is going to be dangerous.

**Mr. MacEachen:** Your support is the kiss of death.

● (1130)

**Mr. Crosbie:** He is a very fine public servant, and I am glad to see that he has good friends in hon. members opposite who will drag his name up in public with these kinds of questions. I do not think they have done him any good.

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ENERGY

POSITION OF CHAIRMAN OF TASK FORCE ON PETRO-CANADA

**Mr. Gary F. McCauley (Moncton):** Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources regarding the question I asked him yesterday which, I will remind the House, had to do with the chairman of the task force on Petro-Canada, Mr. McDougall. Although he is on leave of absence as president of Labatt's, he is still receiving full salary from that company. That company is owned by Brascan, which has indicated an interest in buying Petro-Canada. Has the minister been able to find an answer to that question?

**Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources):** Mr. Speaker, the answer to the question is that the chairman of the task force, Mr. McDougall, is on leave of absence from Labatt Limited. It is not his intention to return to that company at the end of the leave of absence. He will, in fact, be terminating his relationship with that company.

**Mr. McCauley:** Whether he is on leave of absence, going back or not, is he still on salary?

**Mr. Hnatyshyn:** Mr. Speaker, I indicated yesterday that he is on salary.

**Some hon. Members:** No.

**Mr. Hnatyshyn:** He is on a leave of absence with pay. He is in the process of terminating his employment and will, in fact, be terminating his employment. However, as I indicated yesterday, the premise of the hon. member's question is completely unfounded in the sense that Brascan has indicated in public statements that it has no interest with respect to the acquisition of either Petro-Canada as a whole or any assets thereof, so that the question the hon. member puts is simply not relevant.