

Oral Questions

PROJECTED DATE FOR TABLING OF PROJECT LIST

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, we are prepared to let the facts speak for themselves if the Government will publish those facts. Will the Prime Minister of Canada tell us when the list will be made available to Parliament as to the allocations under the Special Employment Initiatives Program? Will it be tomorrow? Will it be June? Will it be 1992? When will the Prime Minister of Canada come clean with the people of Canada and make known to this Parliament a list that has been requested for at least three months?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member for Yellowhead always talks about coming clean when he has asked the same question many times and when he refuses to hear the answer. The Minister of Finance gave the answer. I gave the answer. A couple of weeks ago a question was put on the Order Paper—

Mr. Kempling: Three months ago.

Mr. Trudeau: January 24, Mr. Speaker. The Order Paper speaks for itself. The only coming clean would be the Hon. Member's ears if he wanted to listen to the answer.

Some Hon. Members: Oh, oh!

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FISHERIES

FUTURE OF INDEPENDENT FISH COMPANIES IN NOVA SCOTIA

Miss Coline Campbell (South West Nova): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Now that the federal Government has guaranteed to pay the Bank of Nova Scotia \$70 million over the next five years—and I agree we have to go along and we have to believe in the gamble on the future of the fishery—will the Minister use the remaining funds allocated under Bill C-170 for the Nova Scotia restructuring to give guarantees to the many private independent companies, which are also having difficulties and which would like to survive, for the future of the fishery?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I will certainly take note of the representations of the Hon. Member.

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THE ECONOMY

EFFECT OF DEFICIT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance who will be aware that there is a great deal of concern about the economic situation, as shown by what happened in the Stock Exchange yesterday.

It was the worst drop in more than four months. Mr. Volcker, the U.S. Federal Reserve Board Chairman, has reported to Congress and he has said "high deficits are restraining economic recovery. The federal deficits have kept interest rates high and restrained expansion in areas of the economy that are more sensitive to interest rates, such as housing, autos and long-term business spending." In view of the fact that the Canadian deficit is much higher proportionately than the U.S. deficit, \$31.3 billion this year compared to \$138 billion with the U.S. economy being ten times the size of ours, will the Minister of Finance tell the House whether he agrees with Mr. Volcker's opinions on the effects of these high deficits?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have quite often said substantially the same thing. If the Hon. Member had bothered to read my speeches, he would have seen some of the statements. I have indicated that we had to address the deficit situation in a very gradual and responsible way, that we had to bear in mind the general situation of the economy, particularly the fate of the unemployed, and that my strategy was to bring the deficit down gradually in a responsible way.

Mr. Crosbie: The Minister suffers from galloping hypocrisy as well as malignant McCarthyism. His actions belie his words. His debt this year is \$31 billion. In terms of the U.S. economy it will \$310 billion.

REQUEST THAT MINISTER ACT TO REDUCE DEFICIT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, what action does the Minister of Finance plan to take? The fundamental problem of our recovery is high interest rates. The Minister of Finance has just said he agrees that the deficit is producing high interest rates. When will he start reducing the deficit so that we can have lower interest rates, have an economic recovery in Canada, get people back to work, and have investments start again? When is the Minister going to start that process, instead of just talking about it and pretending he is doing it?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member will have to wait for the Budget in order to reach his own conclusions in that regard. I would like to remind him that interest rates have come down substantially in the last two years. As a matter of fact they have been cut by half—

Mr. Huntington: And what did they go up to?

Mr. Lalonde:—while the deficit was increasing substantially. There is no automatic and immediate relationship between the size of the deficit and the level of interest rates.

Mr. Crosbie: You just said you agreed with Mr. Volcker.

Mr. Lalonde: But we have seen in the last two years a rapid and significant decline in interest rates in spite of an increase in the deficit. However, what is important to note is that over