

Economic Conditions

17.36 per cent? It is floating on the inertia and the ignorance of this government.

On November 13, 1979, the present Minister of Energy, Mines and Resources (Mr. Lalonde) said that the PC government seems to have "adopted Mr. Volcher's economic Malthusianism approach in the United States". Who in the last few weeks has been here squirming around trying to find an excuse? He said he blindly had to follow the U.S. interest rates. Rates which were imposed by whom? By the very economic Malthusian who they did not like last year, Mr. Volcher. Those are just some of the expectations. On November 6, 1979, the finance critic of the Liberal party said:

It is right and necessary for Liberals to take a new approach and a new look at interest rate policy.

When will they do that? When will they take on that new look? Is the new look and the new approach an 18.25 per cent prime rate? The finance critic, now the Minister of Industry, Trade and Commerce, said on October 30, 1979, when the Bank of Canada rate was 14 per cent—not 17.36 per cent:

—it will mean the loss of thousands of jobs, increases in the cost of living, it will bring the housing industry to a halt, it will put housing industry to a halt, it will put housing beyond the reach of most middle and lower-income Canadians, it will hurt small business and it will hurt farmers, and will add to the cost of food.

Has that all changed in the last few months? Have interest rates which are now 4 per cent more than the rate of last fall not had these results? Finally, who said this:

I don't think that allowing the dollar to have some downward adjustment would do as much harm to our economy as our present high level of interest rates.

It was the same finance critic of the very same party that is now in government, that is now doing nothing and does not appear to be doing anything. The bleeding heart Minister of Employment and Immigration (Mr. Axworthy) as housing critic for the Liberal opposition said on October 29, 1979:

If there is a requirement to raise interest rates, there is an equal requirement to help those people who are hurt by those interest rate increases.

That was when the Bank of Canada rate had gone to 14 per cent. The minister is the colleague of the Minister of Finance, who will do nothing to help people who are hurt by those interest rate increases. Why does that minister not resign? Because he is a hypocrite, a total hypocrite, a teetotal hypocrite. If he cannot persuade the Minister of Finance to carry out his commitments and promises of last year to help those who are hurt by high interest rates, then he should resign. The whole government should resign.

● (2100)

The cause of the higher interest rates is not just that U.S. interest rates are higher. There are many other countries in the world, unlike Canada, which have an independent interest rate policy and as a result their interest rates are not affected by the United States. They do not have to worry about what happens in the United States. The minister says it is the U.S. interest rate which has caused Canada's to go up. Why is it, then, that in the last few weeks interest rates in the United Kingdom went down from 17.5 per cent to 15 per cent? Why is it that the Swiss interest rate is 5.75 per cent? Why is it that

the West German interest rate is 11.5 per cent and it has not gone up because U.S. interest rates have gone up in the last month or two? Why is it that Japanese interest rates are 8.85 per cent and have only gone up two-tenths of 1 per cent in the last month or two? Why is it that only Canada's have gone burgeoning up with the interest rates in the United States? It is because the Canadian economy has been weakened almost fatally by the policies of the government opposite during the last 12 years. If it is higher interest, that is why. The minister says that this year we are going to have a deficit in the current account of our international account of \$6.2 billion. Last year it was \$5.8 billion. That means we have to get \$6.2 billion from the rest of the world to survive here in Canada. We are consuming more than we can produce. We are living off the rest of the world, and we have been led in that direction for the last seven years by the Liberal government and by the finance minister, by his predecessor, Mr. Chrétien, by his predecessor, Mr. Macdonald and by Mr. Turner who started the whole thing and who is now hiding out in Toronto trying to escape the responsibility of it all. Our external debt now is a net \$75 billion. That is why the dollar is in the shape it is in, and because this government has a policy of attacking the private sector, because this government is not fighting inflation, because this government will not help governor Bouey and the Bank of Canada fight inflation. It talks a hard game but it does nothing. It does nothing because it knows that to do anything will cause pain. To correct this situation will cause pain and that party over there does not want to pretend that it is causing any pain, so it does nothing. But the pain has cost Canada. There will be a fatal heart attack for the Canadian economy because it will do nothing in the meantime. Instead it is the attack on the provinces and the attack on the oil and gas industry and the threats of FIRA. This is why investment is leaving Canada, because of this misshaped and misbegotten Marc Lalonde energy policy, forced, we hope, on the Minister of Finance, who does not have enough guts or gumption to say to the Minister of Energy, Mines and Resources that he has to change his policy and get an agreement with Alberta. Our interest rates are following the U.S. because of the weakness of our economy. They do not follow them anywhere else in the world. There are no criticisms being made in other parliaments of the world, Japan, West Germany or the U.K. about American Federal Reserve policy because they know the United States has got to overcome its inflation or the whole of the western world will be ruined. It is only this minister here trying to exculpate himself who gets up in the House with his mealy-mouthed criticisms. He does not think they are doing quite the right thing in the United States, although they are doing the same thing as Mr. Bouey is doing here at the Bank of Canada. The time has come for him to get out of office if he is not prepared to take some responsibility.

Let us look at the Canadian dollar, Mr. Speaker. It is at its lowest ebb since 1930 or 1931. Interest rates are up 5 per cent since the budget. The extra cost for oil alone because of the weakness of the dollar is \$109 million since March. This government is importing more and more oil. It would sooner