

Oral Questions

that the government is preaching restraint and in view of the Prime Minister's insistence that there are no free lunches?

● (1122)

Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council): Mr. Speaker, I cannot confirm the number of airplanes which will be taking ministers to the western provinces. I intend to go later today to both Alberta and Saskatchewan, and I will not be electioneering.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Your duty is here.

Mr. MacEachen: I thought the hon. member would realize that we are not in an election campaign. My principal activities will be to hear the views of various groups, including people in Alberta who are interested in pipeline matters, and representatives of the Indians of Saskatchewan. My activities will all be related to my duties as a member of the government, and not as a candidate in an election, which has not yet been called.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, does my friend, the Deputy Prime Minister, regard the appearance of the Prime Minister at a \$125-a-plate Liberal fund-raising dinner in Winnipeg, at which four cabinet ministers voiced high praise for the Prime Minister and heaped scorn on his chief rival, the Leader of the Opposition, a proper expenditure of government funds? Will the Deputy Prime Minister refer this matter to the Auditor General for an opinion as to whether this is a proper use of government funds?

Mr. MacEachen: Mr. Speaker, I am not quite sure which matter the hon. member wishes to have referred to the Auditor General. Perhaps it is the praise that the ministers have given to the Prime Minister. It is not surprising that members of this government should praise our leader in view of the comments which have been made about him, for example, by the Vice-President of the United States.

Some hon. Members: Hear, hear!

Mr. MacEachen: If that is what the hon. member wants referred to the Auditor General, I will consider it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the Deputy Prime Minister knows that what I want referred to the Auditor General is the matter of the money which is being paid out of the federal treasury this weekend for the expenses of this trip for 20 or more cabinet ministers in western Canada. I want to know whether the other expenses of these ministers on this election campaign trip—hotel, meals and other expenses; not just the cost of the airplanes—are being charged to the taxpayers of Canada.

Mr. MacEachen: Mr. Speaker, I think it is worth pointing out to the hon. member that this is not the first time the cabinet has travelled throughout the country to receive briefs and representations from various groups. I repeat to the hon.

[Mr. Knowles (Winnipeg North Centre).]

member that this is not electioneering. This is clearly in accordance with a practice which was in effect years before the prospect of any election, so I do not think the hon. member's question is very appropriate.

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[Translation]

THE CANADIAN ECONOMY

EFFECT OF HIGHER INTEREST RATES ON CONSTRUCTION

Mr. Adrien Lambert (Bellechasse): We must carry on, Mr. Speaker, in spite of the rumours of an impending election campaign. I wish to direct a question to the Minister of Finance.

In view of the decision by the Bank of Canada to increase its interest rate which was announced yesterday and which the other banks are likely to imitate, could the minister explain to the House how this rise in interest rate or money costs will improve the economic circumstances of our country, encourage contractors to build more, or is it not in fact going to be a source of considerable difficulties? I should like the minister to clarify this.

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, if the hon. member will only read the press release which was issued at the time the governor of the Bank of Canada announced this decision, he will find the reasons behind this decision. We do not believe that the increase of half of one per cent in the interest rate will greatly affect economic decisions in Canada, and it is part of the monetary policy of this government which makes it possible for the Canadian dollar to float in a rational fashion. Moreover, because a gap has always existed between the Canadian and American interest rates, it will make investing in Canada more attractive to foreign capital.

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to ask a supplementary question.

The minister just said that we have a floating dollar, and I would also add a very floating policy since not long ago he and his immediate predecessor announced with great pleasure that lower interest rates in Canada would be an essential factor for stimulating the economy. Either one thing or the other: the government is free to direct its monetary policy through the Bank of Canada or we are completely dependent on our neighbours to the south. If we really depend on them, I understand the attitude of the minister but I would like to ask him this: could we hope that some day we will have a monetary policy in Canada which will be truly geared to our economic possibilities and the vastness of our natural resources so that all Canadians might participate in the development and the prosperity of our country?