in Canada, that I know of, who takes a great deal of comfort from the statements of the Governor of the Bank of Canada. He has been making promises that this will lead to some reduction somewhere, sometime, yet all the while he continues to make these statements interest rates go up. I can also tell him that there are a whole lot of people around who do not understand all the ifs, ans or buts of what will happen if a certain policy is followed. They know they are caught in a situation in which they cannot escape from the debt-service charges. Farmers who are in somewhat deeper debt than they would normally be because of the six years of drought are not terribly interested in the so-called economic and fiscal arguments being made by the government from time to time.

I notice that today the Leader of the Government said, very carefully, that the government is responsible for fiscal policy. Does that mean he denies that the government is also responsible for monetary policy in this country? We had that out a few years ago in the famous Coyne versus Fleming case, and, if there was any misunderstanding about it, surely this government ought to know that it is ultimately responsible for monetary policy too.

I understand the problems involved in the government's disagreeing with the Governor of the Bank of Canada, but, unless and until you are ready to say that, you cannot dismiss it as if it is Mr. Crow's policy and not the government's. That is why I would like the Leader of the Government to explain whether the government is now trying to extract itself from the responsibility of monetary policy.

Senator Murray: Honourable senators, the government, through the Prime Minister and the Minister of Finance, has stated quite firmly its support for the efforts of the Governor of the Bank of Canada and for the policy of the monetary authorities in fighting inflation in this country at this time. There is no question about the government's support for those policies. But we are doing more than giving our verbal support to the monetary authorities. As I indicated, we are doing our part on the fiscal side so that monetary policy will not have to bear too great a part in the battle against inflation and so that we may pave the way for lower inflation and lower interest rates in this country.

My honourable friend professes to be confused, although I think he is not—perhaps "frustrated" is a better word—by some of the nuances of economic, fiscal and monetary policy in the country. Certainly it is more simplistic, and would probably be more to his liking, if we could let the printing presses roll. That might be Social Credit policy, but it is not a very creditable or credible policy for a country, living as we do in a competitive and demanding international environment.

Senator Perrault: Attacking provincial governments again!

Senator Olson: Honourable senators, you can hang any label you like on what I am espousing and on what the Leader of the Government is espousing. I am simply telling the Leader of the Government that I have been in western Canada, and if he thinks that those people are just going to take this, and at some time down the road forgive this government for doing exactly the same thing to the people of this country that a Conservative government did in the early 1930s, he will have to remember that those people will let their feelings be known in the next general election.

Senator Perrault: Finished!

Senator Olson: I can tell the honourable gentleman that there is no mistaking the resentment that is out there right now because of the kind of monetary policy that this government is supporting.

Some Hon. Senators: Hear, hear!

Senator Olson: I hope the minister has enough political savvy to understand how deep the resentment can become when people feel they are up against government policy where they have absolutely no defence.

He misunderstood completely when I was telling him that it is not I who have a misunderstanding of the nuances of economic policy—although I might be one of those too. I am telling him that there are hundreds of thousands of people in western Canada who believe that this government has a responsibility at least to try to do something other than sinking them deeper and deeper into debt—a situation from which they have no way of escaping.

• (1420)

That is the problem. I guess the alternative is to change the governments. Do we have to wait that long? Can this government not accept some public responsibility in order to ease these matters, rather than letting the Governor of the Bank of Canada run wild? The prime interest rates have been at 14 1/4 per cent in the last few days. That is unreasonable and ridiculous. The people in western Canada whom I have talked to understand the situation a whole lot better than the government leader has indicated. Perhaps he had better listen to the people themselves, or learn to listen in the right places.

I think that what has been happening is outrageous, and I am telling him that people are not accepting these kinds of excuses anymore. We want some leadership and a policy that will lead to a situation in which people can survive what is happening to them now.

Honourable senators, this is not the time for debate, but will the minister give us an undertaking to participate in the debate on the notice of inquiry that I have just put before this house so that at least the people who are caught in this situation will have some understanding of what the government's policy and its intentions are?

Senator Frith: Hear, hear!

Senator Murray: Honourable senators, the honourable senator does not need to go back to the 1930s to find an illustration of historically high interest rates. He need only go back a few years to the time when he sat there as a member of the government—

Senator Olson: They are not the same!

Senator Murray: —when interest rates were 21 and 22 per cent and he sat here defending them.