

Oral Questions

• (1420)

I would like the Prime Minister to realize that there is a human face to this recession and we want to know the truth. Is the recession over or is it not over?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend will acknowledge, with economic growth in the last three months annualized at 4.9 per cent, with inflation in the last three months below 3 per cent, with interest rates that have declined by six percentage points in the last year and 13 basis points more today and with 49,000 net jobs created in the last number of months, that those signs are all encouraging.

What is even more encouraging are the results of the IMF and the OECD which indicate that in 1992 Canada's economic growth is liable to tie that of Japan's, thereby leading the industrialized world.

There are no guarantees in this life, but I think that the record is encouraging and I hope my hon. friend would agree.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, yesterday, the Minister for International Trade was in Montreal. He spoke to businessmen who complained the dollar was too high, exports were going steadily downward and they had to lay off hundreds of workers every week. The minister said that businesses that wanted to compete on international markets should not let themselves be influenced by the strength of the Canadian dollar.

I therefore want to ask the Prime Minister: Does he agree with the minister's statement or does he in fact think, as we do, that this is no way to heat people who want to create jobs but need help at this time? Does he agree that when we have a situation like the one we are in today vis-à-vis the Americans, we must use our monetary policy to help our entrepreneurs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yesterday I responded to criticism about the value of the dollar, and I asked whether it was one of the Liberal Party's monetary policies to proceed with an artificial depreciation of the Canadian dollar, with all the disastrous consequences that would automatically ensue.

[*English*]

When the Leader of the Opposition was Minister of Finance and President of the Treasury Board and the dollar was trading at \$1.02, he was asked whether he was going to order the lowering of the value of the dollar. He said: "I have not given any instructions to the Governor of the Bank with regard to the Canadian dollar. The Canadian dollar is a floating dollar and it is the marketplace that will decide where the Canadian dollar should be. That is the policy of the Liberal government and I have not given any specific instructions to the Governor of the Bank to lower the dollar".

Hon. Jean Chrétien (Leader of the Opposition): No, I have not done that, Mr. Speaker, but there is one thing I did that this government would have been well advised to do, and that is not to borrow abroad to finance the deficit of the government when we have enough savings in Canada.

Some hon. members: Oh, oh.

Mr. Chrétien: It is the way he has trapped himself.

In those days, I would like to tell the Prime Minister, the dollar went down when we were there because in Canada the paper mills were closed down, the mines were closed down, and it was the instrument I used to bring Canada back to a competitive position.

Some hon. members: Hear, hear.

Mr. Chrétien: I want to know if the Prime Minister, like his minister for external trade, tells businessmen who want to improve the competitiveness of their products abroad to take the 90-cent dollar and shut up, try to export, and you will never receive any help from this government.

What is the policy of this government in terms of making Canada competitive in international markets?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, obviously the debt, the deficit, the productivity rate and foreign investment, all of these matters, impact very significantly on the value of the dollar as do the inflation rate, anticipated growth, and so on, as my hon. friend knows.

When he was Minister of Finance he was asked the question: "Are you ever tempted to fix the value of the Canadian dollar?" "A. No. No industrialized country's currency is fixed". "Q. Do you ever think of getting out of the finance portfolio for something less tough?" "A.