

Mr. Broadbent: Madam Speaker, the minister should try that answer on the 85,000 families who are going to lose their homes.

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THE ECONOMY

REQUEST THAT GOVERNOR OF BANK OF CANADA BE
INSTRUCTED TO IMPLEMENT LOWER INTEREST RATE POLICY

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question now for the smiling Minister of Finance. The Governor of the Bank of Canada just recently said that, notwithstanding the insignificant drop in interest rates, his policy as Governor of the Bank of Canada is that Canadians should expect, for the foreseeable future, a continuation of the high interest rate policy.

My question to the minister is straightforward. Since the Liberals promised in the last election campaign to bring down interest rates, will he instruct the Governor of the Bank of Canada now, to implement that policy, or will he fire him?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I was smiling, but that question certainly would put a frown on anyone's face who is interested in examining the economic realities we face and who is dealing with them in a serious way, rather than through rhetoric. The hon. member knows that the quickest way to bring down interest rates in Canada is not through firing the Governor of the Bank.

Mr. Crosbie: Fire the government.

Mr. MacEachen: He ought to know that the best way to bring down—

Mr. Crosbie: Let's have an election.

Mr. MacEachen:—interest rates in this country is to bring down the rate of inflation. That is precisely the argument that the Governor of the Bank has made. I hope that at some point the argument will sink into the opaque mind of the hon. member.

Mr. Broadbent: Madam Speaker, so much for another Liberal promise that has clearly been broken in that answer.

LEGISLATION TO DEAL WITH ECONOMIC SITUATION

Mr. Edward Broadbent (Oshawa): Madam Speaker, I should now like to ask the Prime Minister a question which has absolutely nothing to do with budget conventions. We have been away for three months in recess, and during that period record numbers of small businesses have gone broke, farmers are losing their farms, and there has been a 100,000 increase in unemployment in one month. Right across the ledger there is economic disaster. Could the Prime Minister tell us why we came back this week and there is not a single piece of new legislation to deal with the economic crisis before us?

Oral Questions

● (1440)

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is referring to the record of the economy. In my first answer today I indicated that, indeed, there were many citizens in this economy and many groups in the population who are suffering from the inflation this government is trying to fight, and that it would be our intention in economic measures in the future, as it was in the past, to alleviate the suffering of those who are in most need. I do not have to remind the hon. member of our increase in the guaranteed income supplement to the old, and so on. It is fully indexed.

Some hon. Members: Oh, oh!

An hon. Member: It's all gone!

Mr. Trudeau: Well, the hon. member says, "It's all gone." He does not realize that it is fully indexed and that, as inflation goes up, these pensions go up. The nature of inflation is that some people get hurt more than others. That is why we have brought in and we will bring in measures to help them. However, I do not believe the hon. member is showing the true picture when he quotes a few indicators of people who are really suffering, and says, that that is how the economy is performing. I told the Leader of the Opposition that in the first nine months of this year real growth in this country went up at 6.3 per cent. That is higher than the United States, which is way below that.

Some hon. Members: Oh, oh!

Mr. Trudeau: No, no, I understand. If the hon. member wants me to tell that to a person who has just lost his job or is losing his house, this will not be a consolation. I just want to explain to the hon. member that when he says that the economy is performing badly, he should say that it is performing badly for some people, not for Canadians—

An hon. Member: Most of them!

Mr. Clark: You're all right, Pierre.

Mr. Baker (Nepean-Carleton): And Chénier, you're all right, too.

Mr. Trudeau: Well, Madam Speaker, this is the first day of this sitting, and it seems to me that we are giving a bad example to the pages whom Your Honour has welcomed so generously.

Mr. Baker (Nepean-Carleton): You are!

Some hon. Members: Oh, oh!

Madam Speaker: Order. The pages were warned by me this morning that there are rough days in the House.

Some hon. Members: Oh, oh!