

program which is supplying more houses to Canadians than they have ever had before.

[Translation]

BANK PRIME INTEREST RATE INCREASE—EFFECT ON STABILIZATION OF ECONOMY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question.

Mr. Speaker: The hon. member for Témiscamingue for a supplementary.

Mr. Caouette (Témiscamingue): Mr. Speaker, as he often does, the minister told us this morning that interest rates had been increased to 7, 7.5 and even 8 per cent in the United States. Can he say whether it is absolutely necessary for Canada to follow suit, and how the higher interest rate announced this morning will stabilize the Canadian economy and help fight efficiently against inflation?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it is difficult to start a debate on the relation between current interest rates in the States or in Europe and Canada, but I shall be willing to do so in due course.

[English]

BANK PRIME INTEREST RATE INCREASE—SUGGESTED RETENTION OF PRESENT LEVEL AND ADJUSTMENT OF RATES TO PARTICULAR CLIENTS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a supplementary question for the Minister of Finance. In lieu of accepting willy-nilly the increase in the prime rates of the chartered banks, would the minister not use his good offices in consultation with them, or through the governor of the Bank of Canada, to see that Canadian banks leave their prime rates at the present level and use discretionary adjustment of their rates to particular clients so as to carry out the policies requested by the government with regard to multi-national companies and larger accounts? In this way, small business would not have to overcome the higher and increasing prime rate.

Hon. John N. Turner (Minister of Finance): It is on the basis of such consultation that the Bank of Montreal has, in effect, introduced the beginnings of a dual rate system. Both the governor and myself, in consultation with the presidents of all the chartered banks, have made it clear that there is not a restrictive money policy, that we want priority given to small business in this country, Canadian-owned small business, particularly in those areas of the country where growth prospects are less favoured.

Mr. Speaker: Order, please. A number of members are seeking to ask supplementaries. Perhaps it might be wise to call upon the hon. member for Calgary North to ask the last supplementary on this subject, to which we might return later, and then I will continue the first round of questioning by recognizing the hon. member for York South.

Oral Questions

BANK PRIME INTEREST RATE INCREASE—EFFECT ON COST OF HOUSING

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs responsible for housing. It arises from what the Minister of Finance has said, that there is an undertaking by the banks to lend at the prime rate to borrowers of less than \$100,000. There is no one in the country—I am thinking particularly of the people in small business—who can borrow at that rate. Would the minister tell us, since he is the minister responsible for housing and we have reached a social crisis in housing, what effect the increased rate will have on the cost of housing, which has already reached a crisis stage?

Hon. Ron Basford (Minister of State for Urban Affairs): I would urge the hon. member, to the extent that there are any adverse effects, to join with me in passing Bill C-133 as quickly as possible—

Some hon. Members: Oh, oh!

Mr. Basford:—so that the benefits of the legislation providing for subsidized interest rates can be made available to the people of Canada as quickly as possible.

Some hon. Members: Hear, hear!

Mr. Woolliams: With the greatest respect, Mr. Speaker, we have a name for that kind of answer in the City of Calgary, but I shall not use it. Can the minister undertake now that all loans made directly by CMHC will be at a rate not more than one per cent higher than the prime rate so that the little people, the people the Minister of Finance talked about who cannot borrow money under 12 per cent, will be able to purchase houses?

• (1120)

Mr. Basford: Mr. Speaker, all I can do is to give an assurance that it will be at the rate prescribed by the National Housing Act as passed by parliament.

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FEDERAL-PROVINCIAL AFFAIRS

AGENDA FOR MEETING OF FIRST MINISTERS LATER THIS MONTH

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Prime Minister. Would the right hon. gentleman inform the House whether the agenda for the meeting of first ministers to take place later this month has been settled?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as of yesterday morning I had answers from eight of the ten provinces, so the agenda has been tentatively settled to that extent. I do not know whether the other two provinces have replied since yesterday morning.

Mr. Lewis: Would the right hon. gentleman inform the House whether the agenda contains an item dealing with the possibility of legislation to follow up the Food Prices Review Board which has been promised, and also whether