

[Translation]

FINANCE

SUGGESTED REDUCTION IN MORTGAGE INTEREST RATES TO STIMULATE HOUSE CONSTRUCTION

Mr. Eudore Allard (Rimouski): Mr. Speaker, I should like to put a question to the Minister of Finance.

As the Canadian housing industry is faring very poorly and, to my mind, as the problem lies above all in prohibitively high interest rates, would the minister tell the House whether he would be willing to recommend rolling back interest rates to stimulate that industry, while at the same time helping solve the unemployment problem?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, as I said, the monetary policy of the government is determined with the governor of the Bank of Canada. But we have accepted that, because of the high level of international interest rates, it is not possible, for the time being, to lower interest rates in Canada. My colleague, the Minister of State for Urban Affairs, for instance, will be introducing programs intended to reduce interest rates in specific cases, but I cannot say that, generally, rates will be lowered in the industry mentioned by the hon. member.

Mr. Allard: Mr. Speaker, on a supplementary. Will the minister tell us whether he is speaking of housing or industrial construction?

Mr. Macdonald (Rosedale): Mr. Speaker, I can refer the hon. member to my colleague. There are a few programs through which interest rates are subsidized in the housing industry.

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[English]

EXTERNAL AFFAIRS

SALE OF NUCLEAR REACTOR TO SOUTH KOREA—REQUEST FOR TABLING OF SAFEGUARD PROVISIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. On a recent visit to Japan the Minister's colleague, the Minister of State for Science, is reported as saying that he expected the agreement with South Korea for safeguards on the sale of a Canadian nuclear reactor would be signed soon and that it was a matter of getting the right kind of words rather than getting an agreement. Assuming this to be the situation, would the minister say whether the safeguards negotiated are adequate to prevent the possible diversion to nuclear weapons and is the minister prepared to table the proposed agreement so that Parliament and the people of Canada can judge for themselves whether the safeguards proposed are adequate or whether we are indeed embarking on a grave and possibly tragic course of nuclear proliferation?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, the negotiations with the Republic of Korea are in their final stages and we hope the agreement will be concluded shortly. I intend to table the agreement in the House of Commons when it is concluded.

Oral Questions

THE CANADIAN ECONOMY

POSSIBILITY OF EXEMPTING NOVA SCOTIA TEACHERS AND STEVEDORES FROM WAGE GUIDELINES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Finance. Observing the niceties of the House may I say: "Congratulations Don; you have lots of headaches". In light of the fact that the school teachers of Nova Scotia, as a result of the crushing burden of inflation, have been working for almost near-starvation wages for three years, and in view of the fact that they are presently negotiating for a new wage agreement, will they be subjected to the freeze as laid down by the Prime Minister and the minister himself or will the teachers and stevedores of the International Longshoremens Association in Nova Scotia receive the same treatment as the Postmaster General has indicated the postal workers will receive.

● (1140)

Hon. Donald S. Macdonald (Minister of Finance): Well, Mr. Speaker, may I express my appreciation to the hon. member from Eastern Nova Scotia, as one who ancestrally comes from Nova Scotia, for the kind words. With regard to his question, there are several answers that will have to be given by the provincial government before I could respond to it. Insofar as the public sector is concerned, we look forward to the answer from Nova Scotia concerning whether it would cover the public sector as proposed by the bill under the federal tribunal or whether it would do as Quebec is doing and set up its own. With regard to the private sector, the guidelines would apply and in that sense the anti-inflation tribunal would have to consider the situation. It would have to consider that with other groups in the transitional situation to which the hon. member referred. I say that in light of the sense of justice that where groups work side by side or in other ways are closely comparable, we should so far as possible try to analogize their basic compensation.

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SOCIAL SECURITY

CRITICISM OF ADVISORY COUNCIL OF METHOD OF FUNDING CANADA PENSION PLAN

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I wonder whether the minister could tell us if he has received the report from the Canada Pension Plan Advisory Council or whether he has taken particular cognizance of the criticism of the Chairman of that council with regard to the borrowing formula under the plan whereby the provinces borrow from the fund. Since there is no government contribution into the Canada Pension Plan, any deficiency or any lack of proper funding is strictly at the expense of the beneficiaries of the Canada Pension Plan which so far in ten years amounts to well over hundreds of millions of dollars.

[Translation]

Hon. Marc Lalonde (Minister of National Health and Welfare): Mr. Speaker, I have not only read the report, but