

*Oral Questions*

budget cuts of \$4 billion in the last three years; this despite dramatically increasing need in the Third World.

Given the crisis in many of our traditional Third World partner countries caused by their international debt burden and the economic repercussions of the gulf war, will the minister assure us today that the focus of our aid expenditures will remain with human resource development in the world's poorest Third World countries?

[*Translation*]

**Hon. Monique Landry (Minister for External Relations):** Mr. Speaker, the hon. member is aware that the aid budget was not only maintained but increased by 5 per cent this year, in line with the government's commitment last year.

Mr. Speaker, with projected expenditures of \$18 million over the next five years, the government will continue to provide assistance in priority areas, i.e. the development of human resources in the poorest countries of the world, as promised.

[*English*]

**Mrs. Christine Stewart (Northumberland):** Mr. Speaker, my supplementary question is to the Minister of Finance.

The last budget, despite so many cutbacks, was able to commit \$600 million to defence to cover additional gulf war expenses.

Now that the war is over, it appears that the \$600 million will not be required to cover defence war costs. Would the minister commit those unused funds to assist war crippled Third World countries in order not to drain foreign aid funds from our traditional recipient countries?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, my colleague, the Minister for External Relations, has stated very clearly what is the budget of the Official Development Assistance Program.

Her question is addressed, though, to the \$600 million for defence as it relates to the Persian Gulf. At this point we do not know the full costs of the commitments we have made in the Persian Gulf. We will be making an accounting of that sometime toward mid-year. At that point we will know how much will be left over, but I should say to my hon. friend that our intention is to put that to reducing the deficit.

**INTEREST RATES**

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my question is for the Minister of State for Finance.

In light of the fact that the Bank of Canada rate dropped to 9.98 per cent last week from a high of 14.05 per cent in 1990—

**Some hon. members:** Hear, hear.

**Mr. Rodriguez:** —but, in the same period, the average interest rate on the major banks' Visa and MasterCard have dropped by only 1.28 per cent, to 20.05 per cent.

Is the minister now prepared to accept the 1989 consumer and corporate affairs committee recommendation of a rate of 8 per cent above the Bank of Canada rate for Visa and MasterCard?

**Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)):** Mr. Speaker, I take great pride in the fact that the hon. member for Nickel Belt who knows this area has recognized that our interest rate policy is working and interest rates are coming down.

Of course, as he knows very well, interest rates are only one factor in determining the total cost of using credit cards. I think he knows that as well as any member in this House.

We believe that finally it is the element of choice which is the determining factor. It is an element of choice that will be essential.

I have, as he knows, introduced legislation that will expand the range of options available. The legislation is presently in front of this House and it will increase competition.

**Mr. John R. Rodriguez (Nickel Belt):** Mr. Speaker, my supplementary question is for the same minister.

Unfortunately interest rate reductions are not working for millions of Canadian consumers who hold Visa and MasterCard cards.

In view of the fact that the marketplace obviously is not working when it comes to consumers holding these cards, that they are being gouged by white sharks in banks and trust companies, and that the minister has rejected the unanimous recommendation of the standing committee, can he tell this House now what he intends to do specifically to ensure that Canadian consumers are