

ments can be conducted as thoroughly and as quickly as possible, so that these victims of disaster may start their new lives in Canada as soon as possible.

**Madam Speaker:** For presentation, this motion requires the unanimous consent of the House. Is there unanimous consent?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

## ORAL QUESTION PERIOD

[English]

### FINANCE

#### INCREASES IN INTEREST RATES—EFFECT ON INDUSTRY AND SMALL BUSINESS

**Hon. Sinclair Stevens (York-Peel):** Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. Can the minister indicate to the House whether he has noted that corporate bond interest rates are now over 14 per cent compared to less than 12 per cent a year ago, that conventional mortgages are now nearly 16 per cent compared to about 13 per cent a year ago; and if he has noticed these rather sensational increases, would he indicate whether he feels this is the way to reinvigorate our industry and, in particular, help small businessmen in this country?

● (1415)

**Hon. Herb Gray (Minister of Industry, Trade and Commerce):** Madam Speaker, I have noted since the Bank of Canada adopted a floating rate system shortly after the government changed that for most of the period, or at least a substantial part of that period, interest rates were considerably below what they were when the Conservative government was in office.

**Some hon. Members:** Oh, oh!

**Mr. Gray:** I am sure the Minister of Finance is as interested as I in the comments of my hon. friend. We are watching the situation carefully.

**Mr. Stevens:** Madam Speaker, my supplementary question is directed to the Minister of Industry, Trade and Commerce who appears to feel that it is government policy to raise interest rates with, presumably, the intention of lowering them. As we have gone twice through the sequence of rising interest rates in the country, and since in a televised interview on February 10 the minister said he would resign from a government which could not reduce interest rates, would he indicate why he is hesitating to resign? He is in a government where rising interest rates have occurred twice, yet we see him still holding his post.

**An hon. Member:** He has no credibility.

### Oral Questions

**Mr. Gray:** Madam Speaker, interest rates in fact came down after the government changed, and I think that is a very positive development.

**Some hon. Members:** Oh, oh!

**Mr. Gray:** With respect to the other part of the hon. member's question, he should bear in mind that the budget presented by the Minister of Finance contains an extension of the life of the Small Business Development Bond. I hope he will continue to support this initiative, which is very important to small business in dealing with the interest rate situation.

**Mr. Stevens:** Madam Speaker, again my question is directed to the Minister of Industry, Trade and Commerce. Has the minister noticed, as was published yesterday, that in the month of November auto, truck and steel output was down rather dramatically, in some cases as much as 20 per cent, compared to the previous year, urban completions were down approximately 20 per cent, and newsprint production was down? All of these things have occurred since the minister became Minister of Industry, Trade and Commerce. Would he indicate to the House what has gone wrong? Why have they occurred since he became minister? In addition, of course, the dollar is down to the 83-cent range now compared to over 87 cents; or in case he missed that, is he simply agreeing with his predecessor, Mr. Horner, that even 83 cents is a long way from zero?

**Mr. Gray:** Madam Speaker, my immediate predecessor was Senator de Cotret. I know what happened when Canadians examined the work of the government of which he was a part, so I intend to follow a more constructive course of action.

**Some hon. Members:** Hear, hear!

**Mr. Gray:** Also I have noticed that real output in manufacturing increased sharply in September of this year. This increase, compared with the previous period, is the second consecutive increase since July. I think it confirms that real output in manufacturing has bottomed out, and I think that is a very important and positive development. I have also noticed the record positive balance on trade, which certainly is a very great improvement over the situation when my hon. friend's government was in office.

#### DECREASE IN VALUE OF DOLLAR—GOVERNMENT POSITION

**Hon. John C. Crosbie (St. John's West):** Madam Speaker, my supplementary question is directed to the Minister of Industry, Trade and Commerce who has now been minister for nine months. He has done nothing but jawbone; he has not delivered one thing in his nine months in office.

**Mr. Trudeau:** Order, order.

**Mr. Crosbie:** We now have a Canadian dollar below 84 cents American. A year ago, on October 30, the minister told the House of Commons Standing Committee on Finance, Trade and Economic Affairs the following: