

those in effect at present. People would accept such rates. Right now we have to accept excessively high interest rates in Canada in order to attract money which does not really want to come here but would really rather go some place else.

Mr. Riis: Do you support high interest rates?

Mr. Nickerson: There are many, many Canadians who do not invest in their own country because of a lack of confidence. They lack confidence for good reason, and they prefer to send their money abroad. That is what many people are doing, and that is why we have to have high interest rates. We have to have them to keep money here.

Mr. Riis: That is what you advocate, right? You advocate high interest rates and the continuation of the policy?

Mr. Nickerson: I wish the gentleman to my left would not keep making unnecessary remarks, because he knows full well—

Mr. Riis: Three minutes left.

Mr. Nickerson:—that the policy of the Conservative Party is to maintain relatively low interest rates. He saw that when we were in office. The highest interest rate during our term was 14 per cent, and look what we have now.

Mr. Riis: You raised them four times in nine months.

Mr. Nickerson: Another thing we can do to decrease interest rates for the farmer in this country who has to borrow, and for the home owner who has to renew his mortgage, is to decrease the amount of government borrowing.

Mr. Evans: Hear, hear!

Mr. Nickerson: How can the home owner compete for limited funds with the Government of Canada or the government of a province? He cannot. The Government of Canada

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obviously has an A-1 credit rating. It is borrowing money at interest rates lower than those generally obtainable on the market, and a person who has to renew his mortgage obviously has to compete against the government and bid higher for the limited funds available. The soundness of government borrowing also has an influence on rates government has to pay and, as a consequence, the rates other people, businesses and home owners have to pay.

We can see that the majority of funds borrowed by governments in Canada—because it is not just the federal government which is to blame—are used for current account purposes. It is used for paying interest on existing debt. They are not being used for the purposes of building capital assets in the country, and when a lender sees that that is the use to which his funds are being put, he will have certain reservations about the ability of the borrower to pay back that money at some point in time. The risk factor is increased, so the rate of interest is increased, and the rate for those people who are in competition with the government for the borrowing of funds also increases.

The Acting Speaker (Mr. Ethier): Order, please. It being 5 p.m., it is my duty to inform the House that pursuant to Standing Order 58(11) proceedings on the motion have expired.

[*Translation*]

Therefore, the House stands adjourned until Monday at two o'clock p.m., pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.