

Can the acting minister tell this House why Canada had to pay 18.82 per cent for its 90-day money, and 18.22 per cent for its 180-day money, a spread of nearly 4 per cent between the borrowing cost in the United States and the borrowing cost in Canada?

[Translation]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the gap between those rates proves that the Leader of the New Democratic Party is wrong when he claims that Canada's interest rate policy is dictated by the United States.

● (1150)

[English]

REASONS FOR PRICE PAID

Mr. Don Blenkarn (Mississauga South): Would the minister then confirm that the credit of Canada is at least 4 per cent worse than the credit of the United States? Would he confirm that the only reason we have to pay this kind of money is to keep our dollar at 83 cents? Can the minister confirm that with our resources and with the National Energy Program which is now in place, we are in real trouble, which is why we must pay 4 per cent more than the American government does in the same marketplace for the same kind of money?

[Translation]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, I fully disagree with the simplistic conclusions of the hon. member. He ought to examine the phenomenon as a whole, look for the causes and endorse the position of the Minister of Finance who is going to pursue his attempt to control inflation so that the interest rates will be much more acceptable to Canadians.

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[English]

HOUSING

GOVERNMENT ASSISTANCE TO BUILDERS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is for the Prime Minister whose government practises the dismal science so dismally. There are people in my riding who are terrified that they will be evicted from their homes because rent increases are climbing beyond their ability to pay, because of present interest rates. Since the Prime Minister's government is looking to the private sector to extend pension coverage, and since it is also looking to the private sector banks to alleviate the devastation caused by the government's interest policies, why is the Prime Minister so unwilling to look to the private sector construction industry to help resolve the housing crisis by offering builders financial incentives to build rental housing?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I fail to understand the premise of the hon. lady's

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question when she says we look to the private sector on pension matters. Surely she should recall that one of the first acts of this Parliament was to increase the guaranteed income supplement by \$420 a year, which has now been escalated to \$460. So, it is not correct to say that. We find that we have, within the fiscal restraints which we all recognize in this House, obligations, and we discharged that particular one the first thing after the election.

Miss Carney: Madam Speaker, my supplementary question is also for the Prime Minister, and if he wishes to contradict the stated public policy of his minister responsible for pensions that is his right.

EFFECT OF MORTGAGE RATES

Miss Pat Carney (Vancouver Centre): The Prime Minister's colleague, the Minister of Finance, has maintained that his high interest rate policies are not reducing the quality of life for most Canadians. As a Canadian whose mortgage rate is going from 13 per cent to 18 per cent, I can assure the Prime Minister that my quality of life is being reduced by about \$300 a month in extra interest costs. There are millions of Canadians in the same boat.

Some hon. Members: Question.

Miss Carney: Since the average cost of a Vancouver home in March of this year was about \$152,000, and since a person with a 10 per cent down payment would require an annual income of \$73,500 to pay for one of those homes—a Liberal cabinet minister could almost qualify in the unlikely event that one could be elected in Vancouver—what advice has the Prime Minister, whose home is supplied by the Canadian taxpayers, to offer the first-time home buyer in B.C. where the average family income is \$29,000 a year? Or does the Prime Minister reject the right of Canadians to own their own homes?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. lady complains that her quality of life has been reduced by virtue of high interest rates. Of course high interest rates are a very regrettable phenomenon, but I wish to point out to the hon. lady that the reason her quality of life has been reduced is because salaries of members of Parliament are fixed at a ceiling of a 7 per cent increase per year when, as the Leader of the New Democratic Party pointed out earlier, the cost of living has been rising considerably in excess of that over the past several years.

Mr. Siddon: What are you going to do about it, Pierre?

Mr. Trudeau: Indeed, that is why the McIsaac Report recommended that members of Parliament do away with this 7 per cent ceiling. The hon. lady probably could give the answer to the Tory in the back benches who asks what we are going to do about it. We are asking members opposite if they will join with members on this side to ensure that members of Parliament are remunerated in a fair way.