

## Oral Questions

## CANADIAN ARMED FORCES

## CALL FOR REVIEW OF PAY SCALES—MOTION UNDER S.O. 43

**Mr. Jack Shields (Athabasca):** Madam Speaker, the pay and benefit scales in the Canadian Armed Forces are at a pitifully low level. The Liberal government adds insult to injury by significantly raising the rents on permanent married quarters and forcing occupants to pay for all utilities and heating costs. The vast majority of PMQs are over 30 years old and poorly insulated. This will result in extremely high heating costs during Canada's severe winters. This expense, added to the already high cost of living facing our Armed Forces families, with no compensating increase in pay, is nothing short of criminal. Therefore I move, seconded by the hon. member for Calgary South (Mr. Thomson):

That this House direct the Minister of National Defence to refer immediately the pay scales, allowances and benefits, including rental rates, of the Armed Forces, to the Task Force on Taxation and Northern Benefits as a very special and very urgent case so that we may restore the members of the Canadian Armed Forces to a standard of living they so richly deserve.

**Madam Speaker:** Is there unanimous consent for this motion?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

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## AGRICULTURE

## SUGGESTED PROVISION OF FARM LOANS AT REDUCED INTEREST RATE—MOTION UNDER S.O. 43

**Mr. Vic Althouse (Humboldt-Lake Centre):** Madam Speaker, meetings held yesterday and today with groups affiliated with the Canadian Federation of Agriculture further substantiate the need for lower-cost farm credit for those farmers in financial difficulty. Under the provisions of Standing Order 43, therefore, I move, seconded by the hon. member for The Battlefords-Meadow Lake (Mr. Anguish):

That this House instruct the Minister of Finance and the Minister of Agriculture to introduce immediately legislation providing for loans at 10 per cent for such farmers through the Farm Credit Corporation as well as extending the small business bond concept to permit the use of funds available from the retiring generation of farmers to be reloaned at lower rates made possible through the deferral of capital gains tax on such funds.

**Madam Speaker:** Is there unanimous consent for this motion?

**Some hon. Members:** Agreed.

**Some hon. Members:** No.

• (1415)

## ORAL QUESTION PERIOD

[English]

## THE ECONOMY

## LEVEL OF INTEREST RATES

**Hon. Michael Wilson (Etobicoke Centre):** Madam Speaker, my question is for the Minister of Finance who is aware, I am sure, of the low level of consumer confidence as indicated by the Conference Board index which showed the level of confidence peaked at 96 in 1980 when his first budget came out. It is now down to 61, the lowest level in history. The minister surely must share some of the responsibility for this shattering drop in confidence.

In order to do something to reverse this serious lack of confidence, will the minister today hold out some hope concerning interest rates, by stating to Canadians that if rates in the United States drop, as is expected, he will allow Canadian rates to drop by an equivalent amount?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, there is absolutely no difference in principle between the hon. member and myself.

**Mr. Crosbie:** That is a terrible thing to say.

**Mr. MacEachen:** I have taken the view he has implied in his question, that in order to have any chance of a quick recovery the first essential is a drop in U.S. interest rates. Obviously that would create conditions in Canada which would make it possible for a lowering of interest rates in this country.

**Mr. Wilson:** Madam Speaker, the minister did not answer the question. He did not say that he would allow interest rates to go down an equivalent amount.

## REQUEST FOR COMMITMENT TO REDUCE INTEREST RATES

**Hon. Michael Wilson (Etobicoke Centre):** Madam Speaker, it was announced today that there was a drop in housing starts of 58 per cent in the first part of this year, specifically in single-family dwellings. Obviously this has created a tremendous loss of jobs, so the question of lower interest rates is absolutely critical. I ask the minister again: will he make a precise commitment that if U.S. interest rates—on which he blames all our problems in this country—go down in the near future, he will allow an equivalent drop in Canadian interest rates, including the mortgage rate which is so important to housing?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, may I assure the hon. member that the most welcome development from my point of view would be a drop in U.S. interest rates. It is my view that if there were a drop of several percentage points in the United States, that would make it possible for a drop to occur in Canada. That is clear.