

cial assistance as a result of the drought experienced last summer by farmers in many Quebec ridings. Following that meeting, the Minister of Agriculture said that he would be prepared to compensate those farmers, provided his provincial counterpart made an official request. On April 16 last, the Quebec Minister of Agriculture submitted an official request for federal Government assistance. In response, the federal Minister of Agriculture simply said that the request was worthless since his Quebec colleague did not make a cost-sharing proposal.

That, Mr. Speaker, is an unbelievably stupid joke on the part of certain Government Members who had promised financial aid to the Quebec UPA. Given the condition laid down by the Minister of Agriculture, Mr. Speaker, it was a stupid joke in the circumstances, and I urge the Minister and his Quebec colleagues to elicit an affirmative response from the federal Government, with generous aid, as was done for other regions of the country two or three years ago, and for the same reasons, Mr. Speaker.

That is why I insist and ask Members opposite to stop being such hypocrites when the basic needs of Quebec farmers are involved.

• (1415)

ORAL QUESTION PERIOD

[English]

THE ECONOMY

STATEMENT BY CHAIRMAN OF CANADIAN MANUFACTURERS' ASSOCIATION—REQUEST FOR NEW POLICIES

Hon. Brian Mulroney (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. The National Chairman of the Canadian Manufacturers' Association said yesterday that the recovery had turned "generally flat". According to Mr. German, the manufacturing sector had recovered only about 40 per cent of the 300,000 jobs that were lost during the recession. He said that the recovery is still "very hesitant, very uneven and very fragile". Does the Minister agree with the assessment made by the Chairman of the CMA? If so, will he be unveiling any new policies designed to meet this problem, particularly for the 550,000 young people who are out of work and who, it would appear, will be out of work for an extended period of time? Will the Minister be unveiling any new policies in light of this statement?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would first like to welcome the Leader of the Opposition back to the House after a long absence.

Some Hon. Members: Hear, hear!

Oral Questions

Mr. Lalonde: I suspect that he found that the more he travelled within Canada, the worse his Party was doing, so he decided to try his luck in the House. I welcome him back and we will see how it will all end up.

I would like to point out to the Hon. Member that there has been a significant recovery in Canada. As a matter of fact, in the first quarter of 1984 the economy recovered all that which had been lost during the recession. We have succeeded in overcoming our position of 1981 before the recession. Unfortunately, we have not yet recovered all of the jobs that were lost, and this is something we are addressing consistently. That problem was addressed in the last Budget of February 15 and is being addressed through the numerous programs that are being implemented by the Department of Manpower and Immigration.

The recovery has been going on. The growth of the Gross National Product in the first quarter of 1984 was in the range of 1 per cent, which is what I had foreseen in the Budget, and I see no reason to believe that we will not continue to see significant growth during 1984.

HOUSING STARTS—REQUEST FOR MEASURES TO ASSIST CONSTRUCTION INDUSTRY

Hon. Brian Mulroney (Leader of the Opposition): Mr. Speaker, as the Minister knows, housing starts are the alarm bell of the economy, and housing starts were down by 37,000 April to April this year as compared to last year. This has resulted in approximately 100,000 lost jobs. In light of this, what economic measures is the Minister planning to introduce to assist the construction industry so that it may climb out of the very serious doldrums into which it has been placed by the policies of the Government, including its high interest rate policies? Will he outline some specific programs today?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would first like to remind the Hon. Member that, in his absence, we have discussed the interest rate policy extensively and it has been demonstrated that the Government does not have a high interest rate policy.

Some Hon. Members: Oh, oh!

Mr. Lalonde: On the contrary, we have had a consistent policy of keeping the lowest possible interest rates in this country. This can be shown by looking at Canadian interest rates as compared to those of the United States. Even today the prime interest rates in Canada are half a point below those in the United States. Average mortgage rates, on a consistent basis, are lower in this country than in the United States. The Hon. Member should realize that we have indeed pursued a policy of having the lowest possible interest rate.

Regarding housing starts, it is true that they have not grown as fast as they did last April. However, the Hon. Member will recognize that in the first quarter of this year the increase in housing starts was about 6.3 per cent over that of the last quarter of 1983. He will also recall that in the first part of 1984 we were engaged in a program of very active stimulation