

through the conviction of the members of this House that the agents of the economy must fight inflation together. Consequently, stirring up a climate of panic, as would the hon. member through his groundless remarks, does not help in encouraging a common effort on the part of the agents of the economy toward a real victory over inflation.

[English]

Mr. Stevens: Again I have a question for the Prime Minister, Madam Speaker. The Canadian public do not care whether inflation is linked in isolation or in combination or what measures the government takes as long as we start getting some results. Will the Prime Minister at least show some compassion for the consumers and home owners in this country by indicating whether, in these budgetary bills yet to come before the House, there is any hope that some steps will be taken to relieve the effect of rising interest rates in this country, mortgage rates alone having gone up 2 per cent per annum since he took power last March?

[Translation]

Mr. Bussi res: Madam Speaker, the matter of interest rates and the hardships they inflict upon some people has been debated repeatedly in this House. It was even discussed when the hon. member was in government. Until now, we have maintained that a measure to protect one group against high interest rates could be unfair to others because home owners are not the only ones who suffer from them. So that builders, businessmen and home owners should have to absorb the cost of higher interest rates is all part of that effort all citizens must be willing to make, in order to weather through this period of economic difficulties. That is part of the united effort, the common will progressively to restore our economy and achieve the objectives of higher production in the next five years.

* * *

[English]

HOUSING

RIISING MORTGAGE INTEREST RATES—ASSISTANCE TO HOME OWNERS

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the minister responsible for housing. Now that we have had that dissertation on mortgage interest rates, perhaps I can ask the minister this. In view of the fact that mortgage interest rates are rising, and we have a two-point mortgage interest rise which on a \$40,000 mortgage means an extra \$60 a month, can the minister advise what he is suggesting is a course of action for the low and middle-income Canadian family who are looking at renewing their mortgages in the next six months?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am happy to indicate that figures for starts in the last month indicate a strengthening in the industry as a result of additional starts. I hope that is a signal that the industry is

Oral Questions

showing a trend toward strengthening and that that strengthening will be reflected in other sectors of the economy.

In terms of assistance to people, specifically as to the roll-over situation, the hon. member will recall that the government, faced with the prospect earlier in the year when interest rates were higher than they are today, responded with the objective of assisting those people who would be seriously hurt by the rise in rates. So we introduced under AHOP the level of a 30 per cent protection, that is, interest, taxes, principal etc., and directed our attention toward those people who would need help the most. That remains the objective of the government. Our response to those people who would be hurt seriously is to look, on an individual basis, at those who find that circumstances make it very difficult for them to renew their mortgage. As the Minister of Finance authorized and said of the government, we will watch that situation and if, indeed, it is one that would warrant government action, we certainly would be on top of it and supportive of individual requests.

● (1130)

Mr. Lewis: Madam Speaker, I suggest to the minister that someone who is renewing a mortgage is not interested in housing starts. Under our plan last year, the average Canadian home owner with a \$40,000 mortgage would have received a credit of \$94 a month in 1981. That amount would be paid to them. Does the Liberal government have any plan to assist the low and middle-income earner who is faced with these sky-high interest rates and he, she or they consider that to be serious?

Mr. Cosgrove: Madam Speaker, as I have indicated, our response is, first, to the needy, to those who need help the most. I should like to point out that under the plan of the government opposite, at least 50 per cent of Canadians who were renters were ignored by that plan. There are people who, at present, pay on average 35 per cent of their gross income toward shelter costs. Where is the equity in the response of a program which ignores those people who are in need?

* * *

SMALL BUSINESS

INQUIRY RESPECTING MEASURES OF ASSISTANCE

Mr. Edward Broadbent (Oshawa): Madam Speaker, my question is for the Prime Minister as the man responsible for over-all government policy. Considering that the Bank of Canada rate has gone up once again, continuing this upward spiral, which will mean that the largest corporations in Canada will be able to borrow at 14 per cent but small business will have to pay between 16 per cent to 17 per cent, and as everyone knows most of the new jobs which are being created in the Canadian economy as well as in the U.S. economy are in the small business sector, I should like to ask the Prime Minister what specifically the government has in mind to help out these small businesses which are hit in a way that makes it