that of the Federal Reserve Bank of New York has traditionally been between 1 and 3 per cent in favour of the United States; as recently as in mid-March, the rate was nearly 5 per cent lower in the United States. More specifically, on March 6, 1986, the lending rate of the Bank of Canada was 11.74 per cent, while that of the Federal Reserve Bank of New York was only 7 per cent.

Clearly, this situation which cannot be explained is unacceptable. It is clear that the Conservative Government which had told business people: "Once elected, we are going to reduce the national debt and make a major effort to help the economy recover", has failed miserably. The Government is now not only responsible for 25 per cent of the whole national debt, but because of a series of incredible blunders which have cost billions of dollars, it has not delivered the goods, so that business people have now lost all confidence in the Government's ability to deal efficiently with economic issues in Canada.

• (1520)

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, the Hon. member for Papineau (Mr. Ouellet) knows perfectly well that what he just said is utter nonsense. For instance, he knows very well that the Progressive Conservative Government was not to blame for the bank failures. We had to pick up the pieces of an energy policy in the West that had been created by the Liberal Government and supported by the New Democratic Party. We picked up those pieces, and we did the best we could to protect, not the big banks and not the multinationals but the depositors, who had placed their trust in these institutions when they believed the economy was really going to take off in the West, once the Liberal Party's energy program, which had been so detrimental to the West, had been amended as it indeed was.

The Hon. Member for Papineau likes to quote a columnist whose philosophy resembles his, so I would like to draw his attention to what Jeffrey Simpson, a columnist, said in today's *Globe and Mail*, and I quote:

[*English*]

The double whammy of falling oil and grain prices could not have come at a worse time for the three Prairie provinces.

Just when oilmen had escaped from the National Energy Program—

[*Translation*]

The Liberal Party's energy program, which was supported by the Hon. Member—

[*English*]

—the international oil price tumbled. Gone were the Government's fond hopes of making energy the "engine of economic growth"—

[*Translation*]

He doesn't say it was the Conservative Party that caused the crisis. It was the circumstances that created the crisis. He goes on to say:

[*English*]

Canada's 140,000 grain farmers are also suffering. International grain prices are falling fast, and the Chicago Futures Market predicts they will go lower—perhaps much lower—

[*Translation*]

He goes on to say:

[*English*]

Ottawa, too, should continue to show the faith it exhibited in assisting the ongoing work for the heavy oil upgrader.

[*Translation*]

In other words, we have already taken steps to help the West with its problems by proceeding with the development project.

So when the Hon. Member says that the Progressive Conservative Government is the cause, in fact he knows perfectly that it is the effect, and that this Government is trying to provide ways to cope with the situation.

Furthermore, he also knows that today the bank rate is 9.33 per cent, the lowest level we have had in a long time. He also compared our situation with that of other countries.

Mr. Speaker, as you know, traditionally, the spread between interest rates in Canada and the United States has been about 2 per cent. However, during the 4-year term of the previous Liberal administration, there was a 4 per cent margin. We were 4 per cent behind the United States. We are now .33 per cent behind them. This indicates that we have taken the necessary steps.

Therefore, I say that the allegations made by the Member for Papineau really fall short of his experience in Government.

And before I conclude, I should like to make a last comment. The Member referred to a program meant to help older people at home. He knows quite well that there are provincial programs which can provide similar services and this is why as a result of an agreement between Quebec and Ottawa, the duplication of services has been reduced more specifically because we do not have enough funds to waste them as the Liberal Party has done in the past.

In conclusion, I should like to ask him a question. He says that Tory times are tough times. How is it that the Quebec Liberal Government has just adopted precisely the same guideline in the statement made by the Minister, Mr. Gobeil, in which he took exactly the same steps in the same economic areas? He has cut housing programs which he thought ineffective as we have done. He has also dealt with the deficit. Taxes will probably be increased. This is exactly the same guideline.

In short, Mr. Speaker, we have set an exemple for Quebec's Liberal Government which is intelligent enough to realize it and act accordingly.

Now could the federal Liberal Member say something in reply to that question?

Mr. Ouellet: Mr. Speaker, I will be very pleased to answer, because what that very long statement finally boils down to is two small items. The first is that the Hon. Member is trying to give herself some credit for what the Quebec Liberals are