

Oral Questions

U.S. is prepared to publish its research and figures for the whole world to see? Is there any substance to the Minister's figures, or are we just facing more flim-flam?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I agree with the Hon. Member that it is important to bring interest rates down. The fact is that this Government has done quite a job in that regard over the last few years.

Some Hon. Members: Oh, oh!

Mr. Lalonde: Not only have we brought interest rates down—

Mr. McDermid: You had a job getting them up to 22 per cent.

Mr. Lalonde:—but we have reduced, and in fact practically eliminated the spread which existed between the U.S. rate and the Canadian rate. The prime rates today at banks in Canada are the same as in the United States. They have been the same since last fall. This is something which we have achieved. For the Conservatives to say that something must be done about interest rates, I would have to remind them about an important statement—

Mr. Nielsen: Answer the question.

Mr. Lalonde:—which was made in this House, which was, "No one wants high interest rates. So it is not the policy of the Government to have high interest rates. It is a condition which the Government cannot do anything about at the moment." That statement was made by the Hon. Member for St. John's West, who is sitting across the aisle, on November 15, 1979.

Mr. Nielsen: Answer the question.

Mr. Lalonde: It is not the policy of this Government that nothing can be done about it.

Mr. Crosbie: You have had four years to do something.

Mr. Nielsen: Answer the question.

Mr. Lalonde: We on this side of the House have done a lot about it, Mr. Speaker. As far as the point raised by the Hon. Member is concerned, I must tell him that we are following the same policy which was followed by the former Minister of Finance, the Hon. Member for St. John's West, when he was in office. These figures have been considered internal to the administration of Government and it is not judged to be in the public interest—

Some Hon. Members: Oh, oh!

Mr. Lalonde:—to provide speculators in the market with possible information as to what will happen with interest rates. Let them make their own judgment. This is the best way to protect the public interest.

Mr. Nielsen: Call an election.

INTEREST RATES ON LONG-TERM GOVERNMENT BONDS

Hon. Ron Huntington (Capilano): Mr. Speaker, in light of the fact that in the United States interest rates on 91-day Treasury Bills are published each year all the way through to 1989, at which time they project they will be down to 5 per cent, and in light of the fact that the Canadian Government is now selling five-year non-callable bonds to yield 11 per cent, nine-year bonds to yield 11.5 per cent, and 21-year bonds—non-callable, I might remind you, Mr. Speaker—to yield 12 per cent, why does the Minister say that interest rates are expected to decline in his fiscal plan?

Mr. Crosbie: Yes, answer that one.

Mr. Huntington: Why does the Minister keep saying that? Why does he keep heaping this rhetoric on the Canadian public when the facts just do not live up to what he is saying?

Mr. Crosbie: Right on.

Mr. Nielsen: Tell the truth. Come clean.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it is interesting to hear the Hon. Member quote those American figures indicating that interest rates are going to decline in the United States—

Mr. Crosbie: They are going to go up here.

Mr. Lalonde:—and yet refusing to recognize that if they decline in the United States there is every likelihood that they will decline also in Canada.

Mr. Crosbie: Why are we paying 12 per cent?

Mr. Lalonde: This is what the policy of this Government has been, to try to exploit all the room possible for manoeuvring *vis-à-vis* U.S. interest rates. We have succeeded in reaching a point where our interest rates are at par with or in some cases below the United States. This is thanks to the policy this Government has followed, and we intend to follow that policy. Any decline in the U.S. rates that the Hon. Member has referred to will be followed in Canada, I am sure.

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● (1440)

[Translation]

FINANCE

LOSSES SUFFERED BY APPLE GROWERS

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, my question is directed to the Hon. Minister of Finance.

On December 20, 1983, the Minister of Agriculture made payments to apple growers in Eastern Canada to compensate them for 50 per cent of the losses they had suffered as a result of freezing temperatures during the 1980-81 winter, through a special assistance program designed to help Quebec and