

Can he tell us if, following the decision taken by the Bank of Canada to increase its discount rate from 6 to 7 per cent, the government is contemplating steps to prevent the Central Mortgage and Housing Corporation or the chartered banks from increasing their interest rate?

[English]

Hon. Mitchell Sharp (Minister of Finance): No, Mr. Speaker. The long term reaction of the market to the increase in the bank rate has been very small so far.

ABOLITION OF INTEREST CEILING ON LOANS

On the orders of the day:

Hon. J. W. Monteith (Perth): Mr. Speaker, I wish to direct a question to the President of the Treasury Board.

An hon. Member: Bring him back.

Mr. Monteith: As the minister indicated in a speech to the annual convention of the National House Builders Association at noon today that he believed the interest ceiling on government guaranteed house building loans should be abolished, when will this move be implemented?

Mr. Speaker: Order, please. I remind the hon. member that questions relating to statements made outside the house may only be asked of the Acting Prime Minister in the sense that the hon. member asking the question seeks to ascertain whether the statement which was made outside the house represents government policy.

Mr. Monteith: Mr. Speaker, I wish to ask the Acting Prime Minister whether the statement I have referred to, which was made by the President of the Treasury Board, represents government policy.

Hon. Paul Martin (Acting Prime Minister): This matter will be considered, Mr. Speaker.

HEALTH AND WELFARE

MEDICARE—POSSIBILITY OF DELAY IN IMPLEMENTATION OF PROGRAM

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the acting Prime Minister. In view of the conflicting statements that have been made by ministers regarding medicare, and in view of the Prime Minister's repeated assurances that the medicare program is now law and would be carried out, I should like to ask the acting Prime

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Minister whether he can assure the country that any provinces desirous of proceeding with medicare will be able to do so on or after July 1.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, parliament has passed an act with respect to medicare. It is now the law of the land. It is permissive legislation. Its implementation depends on action by the provinces. Some provincial governments have asked the federal government to hear their views. Notwithstanding the fact that the law of the land is clear, no government could ever refuse to hear the provinces. The law is clear, however.

Mr. Douglas: I have a supplementary question, Mr. Speaker. In view of the fact that the Prime Minister said a few days ago that this matter was being reconsidered by the cabinet, may I ask whether that reconsideration has been given and whether the government is now in a position to give a definite assurance that there will be no delay in allowing the provinces to proceed with medicare under the present legislation. I should also like to ask whether the government is ready to hand down a decision on how soon it will be able to give the provinces a definite assurance that they may proceed on July 1 or later.

Mr. Martin (Essex East): It must be clear to my hon. friend that no government has the right, nor has any political party the right, to ignore what is the law of the land.

Mr. Douglas: I have a supplementary question, Mr. Speaker. I am sure that the minister under the strain of his recent travels is somewhat weary and probably did not catch the import of my question.

Mr. Knowles: He is not the white haired boy any more, either.

An hon. Member: Does he or doesn't he?

Another hon. Member: Only his hairdresser knows.

Mr. Douglas: Mr. Speaker, I will take no notice of these comments about the transformation in the Secretary of State for External Affairs and will confine myself to the question. In view of the Prime Ministers' statement that the cabinet was giving reconsideration to the matter, I should like to ask now whether the government has given reconsideration to it and whether it has reached a decision and, if not, how soon will it reach a decision?