

light of the interconnection between the capital markets of Canada and the United States, and in light of the trade that exists between our two countries, then I will be very happy to discuss it with the governor of the Bank of Canada; but I do not want to hear any of the irresponsible utterances which he made from one end of Canada to the other during the election campaign.

Mr. Broadbent: Madam Speaker, I will be very happy to deal with the request of the Minister of Finance for advice, and later this afternoon he will receive some.

INTEREST RATES POLICY ENUNCIATED IN SPEECH FROM THE THRONE

Mr. Edward Broadbent (Oshawa): I should like to go to the Prime Minister now, since we have had reference to irresponsible campaign speeches. In light of what the Prime Minister said in the House of Commons last October 29, and I quote:

At what point will the government look at these alternatives, rather than following the American interest rate up to 13 per cent, 14 per cent and God knows how high?

And considering the Prime Minister's promise during the campaign that if elected, his party would have a lower interest rates policy than the Conservative Party of Canada, how does he account for the fact that interest rates have gone up four times since he assumed office, and the categorical rejection of a lower interest rates policy in the Throne Speech that was brought down yesterday?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Leader of the New Democratic Party has, no doubt unintentionally, misled the House. I never promised that when we formed the government we would lower interest rates. I was asked that question specifically, and I said I could not give that undertaking.

Mr. Crosbie (St. John's West): Herb Gray gave it—three seats down.

Mr. Broadbent: Due to the courtesy of the Prime Minister, I think he misunderstood my question. I did not say in my question that the Prime Minister indicated he would lower interest rates; I indicated that he campaigned on a promise of lower interest rate policies than the Conservative party. He is shaking his head, but that is certainly what most Canadians understood.

RIISING INTEREST RATES—EFFECT ON MORTGAGES

Mr. Edward Broadbent (Oshawa): I should like to go to the Minister of Finance with a final supplementary question. Considering that with reference to the then high interest rate of 14½ per cent, his colleague, the Minister of Employment and Immigration, said the effect of this was to crucify Canadians—with mortgage rates at 14½ per cent—how does the Minister of Finance view the current interest rate policy as it affects mortgages, which are now up to 17½ per cent?

Oral Questions

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This means, for some 350,000 Canadians who have to renew mortgages this year, that their monthly bill will go up, on the average, \$200 a month or almost \$3,000 a year.

An hon. Member: How about that?

Mr. Broadbent: Does the Minister of Finance consider that an acceptable position for the Government of Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I understood the question was addressed to the Prime Minister. I have examined the number of home owners who may be renewing their mortgages this year, and it approximates 350,000. Of that number, it appears to me that a very large proportion can bear the regrettable increases in mortgage payments if we accept the customary ratio of debt to household income. Obviously, it would be an additional burden, but that proportion will be able to carry the burden.

There is a group that, because of the fact their incomes have not increased and because their equity in their homes has not increased, or the value has not appreciated, will face a particular difficulty, and it is to this relatively small group that we are addressing our attention, to ensure that they will be helped to get over this very difficult period.

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INDUSTRY

HIGH INTEREST RATES—EFFECT ON EXPORT BUSINESS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce.

An hon. Member: The late Herb Gray.

Mr. Wilson: The rise in interest rates in Canada and the United States is of great concern to exporters in this country. In view of the fact that the Export Development Corporation quite recently raised about \$250 million U.S. at an interest rate of 14 per cent to fund commitments made by that corporation at interest rates between 9 per cent and 10 per cent, are these high interest rates in any way affecting the ability of the Export Development Corporation to fulfil its mandate in support of Canadian export business?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I think the Minister of State (Trade) would want to deal with that question.

Some hon. Members: Oh, oh!

An hon. Member: Reduce the rate, Herb.