the process of assessment is over we will be in a position to enact a whole set of new regulations to control those very important sources of pollution.

• (1440)

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Minister of the Environment is wrong in thinking that by controlling 44 chemicals he can deal with the problem outlined by the International Joint Commission.

The commission states that there is a threat to the health of our children emanating from our exposure to persistent toxic substances, even at a very low ambient level. Therefore, we want to know what are the immediate steps that the minister has in mind in order to cope with this emergency.

Hon. Lucien Bouchard (Minister of the Environment): The commission's report makes two main points. First, it mentions that we have made progress, mainly with regard to the sewage treatment facilities and the elimination of DDT and high profile chemicals like PCBs.

The hon. member rightly states that we need to know much more in terms of research and regulations. All this will be addressed in *The Green Plan*, because the main part of *The Green Plan* will be devoted to science and technology. Then we will be able to address the issue raised by the report.

Second, as far as regulations are concerned, *The Green Plan* is proposing a whole set of regulations. I think that we have whatever we need to address those main issues.

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INTEREST RATES

Mr. Alfonso Gagliano (Saint-Léonard): Mr. Speaker, my question is directed to the Minister of State (Finance).

Once again the Governor of the Bank of Canada hits hard the average Canadian and small business by increasing interest rates. Will the government stop this policy of high interest rates, and help small business progress instead of helping small business to go bankrupt?

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I believe the hon. member knows full well that there are various ways of lowering the interest rates.

Mr. Fontana: Try one.

Mr. Loiselle: We could do it by pressing a button to bring them down. We would see them go up again. There are, within our economy, very strong inflationary pressures. There is great danger that if our policies are not handled properly, we could end up in a situation which the Liberals should know very well, because they put us in that particular situation in the early 1980s.

We are in a difficult situation. We are dealing with both fiscally and economically. We will continue to do that until such time as the pressures diminish and we can bring down interest rates in a way that they will stay down.

[*Translation*]

M. Alfonso Gagliano (Saint-Léonard): I have a supplementary, Mr. Speaker. Perhaps the Minister should listen to the *Conseil du Patronat du Québec* which is precisely recommending that the interest rates be immediately lowered. In the last Budget, the Minister of Finance forecasted a rate of 11.1 per cent for 1990. Since each time the interest rate increases by one point the deficit increases by $1.7 billion, why does the government persist in increasing the deficit and the national debt? Would it not be better to lower the interest rate so as to reduce the deficit and the national debt?

Hon. Gilles Loiselle (Minister of State (Finance)): Of course it would, Mr. Speaker. The hon. member came close to giving away the answer in his question. It is obvious that we do not like high interest rates any more than he does and that we are monitoring that situation closely because we want to act responsibly. We have also done that in our Budget by cutting our expenditures so that the fiscal policy could make some capital available. But for the time being, for a little longer than what was initially planned, there are still pressures on the economy. Canadians have kept buying more than we had expected. So, we have to keep trying to contain those pressures because a reduction in the interests rates may be desirable, but it must be brought about in a responsible manner. There are not fifty ways to go about it and