

Oral Questions

owing more after five years of paying on his mortgage than he owed at the outset? Is that any kind of justice for home owners, to put them deeper in debt without them even knowing?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the hon. member forgot one significant fact that is important to a person who is making a choice about what kind of mortgage to apply for. At this point we have not examined the variable rate mortgages that are being offered to which the hon. member has referred because they are no business of ours. Canada Mortgage and Housing Corporation does not insure them so the government is not involved. Those are private contracts between mortgage companies and individuals.

I am told that under these variable rate mortgages an applicant is offered an interest rate which sometimes is two per cent less than the going rate. I do not know why the hon. member is doing his very best to try to ensure that Canadians who opt for that break in interest rates cannot take advantage of it.

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[Translation]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBERS OF NEW BRUNSWICK,
QUEBEC, ONTARIO, AND MANITOBA LEGISLATURES

Madam Speaker: I have the honour of calling to the attention of the House the distinguished presence in our gallery of members of the legislatures of New Brunswick, Quebec, Ontario and Manitoba, who are taking part in an interparliamentary visit program on small businesses.

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● (1430)

AGRICULTURE

INQUIRY WHETHER GOVERNMENT WILL INTRODUCE NEW
MEASURES RESPECTING HIGH INTEREST RATES

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Agriculture. Last week, over 1,000 farmers met in Montreal to comment on the federal government's agricultural policies. The president of the Agricultural Producers Union, Mr. Proulx, took this opportunity to condemn, in very strong terms, the federal government's national policy, especially regarding interest rates, and he said that the present interest rates are bleeding farmers white. I should like to ask the minister first of all whether, considering this statement by a bona fide association, he intends to introduce new measures to reduce interest costs, and whether he received the information kit distributed by the APU in which federal Quebec members are criticized for not defending the interests of farmers in Quebec?

[English]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member knows full well that last week a question was asked in the House about who attended the meeting, etc. My parliamentary secretary attended the meeting, along with several other members of the caucus from la belle province. They had a very good meeting. Also the hon. member knows that about 7,000 members appeared in the capital of Quebec, Quebec City, and confronted the provincial minister of agriculture about the problems which in any case are the provincial minister's responsibility.

We have the farm credit legislation which was before the House and is before the other House at the present time. We are not in the short-term money market; we are in the long-term money market. We intend to increase our ability to lend money through the Farm Credit Corporation. The province of Quebec has a long-time program subsidizing interest rates. It has become a very costly program for them. They withdrew from it to some extent. We are not promising anything different than we have now. We have interest-free programs on storable crops. I believe last year the producers of the province of Quebec took advantage of that to about \$40 million. We have national supply managed programs to take in the marketing costs of the whole operation, production costs, and the costing price formula which the majority of producers use in the province of Quebec. Those producers who are within that kind of a marketing system do not have the real concern of other producers outside the marketing system depending upon the open and free market to supply their return.

[Translation]

RECOMMENDATION THAT PRICES BE BASED ON PRODUCTION
COSTS—GOVERNMENT POSITION

Hon. Roch La Salle (Joliette): This time, Madam Speaker, I should like to remind the minister that I am asking a question that specifically and exclusively concerns the federal government's interest rate policy. This is no time to blame our interest rates on one of the provincial governments.

Mr. Rossi: Is the federal government to blame for the results in Saint-Laurent and Louis-Hébert?

Mr. La Salle: Secondly, Madam Speaker, the APU strongly condemned the agricultural stabilization programs, and recommended that the stabilization system should be based on production costs instead of the average figure for the past five years. Considering that the seventy-four Quebec members opposite have the same document I do and that the minister would have done well to examine it, could the minister inform the House whether he intends to respond positively to this recommendation, for the greater benefit of Canadian farmers?

[English]

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the hon. member referred to a document which was