

the current year, or are they scared to tell us what those spending plans are?

● (1120)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we have not abandoned the practice of giving spending plans for more than the current or coming year. In due course we will be very happy to give Hon. Members of this House an indication of the course of government spending over the years to come.

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[Translation]

FINANCE

SMALL BUSINESSES AND HOME OWNERS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance. As the House is aware, the Bank of Canada rate has gone up from 10.95 to 11.52 per cent, so that we now have one of those rare times in history when the Bank of Canada rate is higher than the prime lending rate charged by chartered banks, Caisses populaires and credit unions on their corporate loans. The rate for one-year Treasury bills has now reached 12.5 per cent—13 per cent when issued—while the rate for private one-year mortgages is now around 11.5 per cent.

Now that the Government has decided to let interest rates rise, we must expect some changes in the market, and my question is as follows: What does the Minister of Finance intend to do to help small- and medium-sized businesses that are going to see the cost of money rise to about 13 per cent, and homeowners whose mortgage rates will rise between $\frac{1}{2}$ and $\frac{3}{4}$ of 1 percent? What does the Minister intend to do to help these two sectors of our economy?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have indicated to the House on many occasions in recent weeks that what we are faced with here is an unprecedented international situation which is causing upward pressure on interest rates. I have indicated to the House that I am not happy with that upward pressure but it is something that is not totally within our control. The Hon. Member should be aware of the fact that there is a tremendous press of international capital going around, but it is not going to be a long-term situation. There is going to be some relief, I would expect, in the next little while. With that relief I expect we would see some decline in interest rates.

[Translation]

MAIN ESTIMATES FOR 1985-86

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, today again the dollar weakened compared with yesterday's

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level, but confidence does not seem to be recovering very quickly. In the Main Estimates, the average rate for the debt service charge was calculated on the basis of 10.7 per cent, while today, the Bank of Canada rate is at 11.52 per cent. This would have the effect—

Mr. Speaker: I am sorry to interrupt the Hon. Member, but does he have a question?

Mr. Garneau: I certainly do. This increase in the interest rate will mean an extra \$1.7 billion in Government spending. Does the Minister intend to correct the Estimates that were tabled last Tuesday?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, no, I do not intend to correct the Estimates as tabled by my colleague. We are still in fiscal year 1984-85. The next fiscal year starts on April 1, 1985. I have indicated in my previous answer that I expect by that time we should have some decline in interest rates from the levels we have today. That projection for the balance of the year stands.

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[Translation]

REGIONAL ECONOMIC EXPANSION

DOMTAR—PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. Yesterday he said that the federal Government can help Domtar but, outside the House, a department official said the opposite. According to him, the federal Government cannot help a company in which a Government has an interest, or which is even controlled by a Government. What is the policy of the federal Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Government policy is the one I announced yesterday: notwithstanding the fact that the Quebec Government may be a majority shareholder through some of its own agencies, we still have every intention of trying to help the company launch a major project. As my colleague knows, I am saying today what I said on Monday and Tuesday, unlike the Leader of the Liberal Party and his supporters who led the fight in the House during four days. Yesterday, the people of Quebec were flabbergasted to learn that the Liberal Party spent the whole week arguing against any kind of assistance to Domtar, yet they kept making a fuss about it. Now we can see how hypocritical the Liberal Party has been with respect to this matter.

● (1125)

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Liberals certainly have problems with policies. Still, I might suggest