

number one economic and social problem in Canada—housing.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Pierre Gimaïel (Lac-Saint-Jean): Mr. Speaker, once again and for the second week in a row, we are having a debate in this House on the economic effects of high interest rates in North America, and I should even say the entire world. I agree with my hon. colleagues opposite that the present interest rate is far from ideal and obviously affects people throughout our country. I have to agree that, as far as economic growth and people's ability to pay are concerned, the interest rate has a negative impact on the wealth and purchasing power of individuals. However, we must recognize, Mr. Speaker, that economic conditions in the western world have changed enormously since 1973. One major reason was the increase in energy and oil prices which on two occasions caused mini economic crises in these countries and required extraordinary imagination on the part of the government to save individual consumers undue hardship because the situation or price increases were hard to justify as they were based simply on the oil supplying countries' desire to acquire more wealth.

Of course, the opposition parties now rise to blame the government for breaking its promise to protect Canadians who must bear the brunt of high interest rates. It is easy for the opposition parties to make such an accusation now, especially as they conveniently forget several things when they talk about the situation. First, they claim the government did not make good its commitment to protect those people who suffer the most from those high interest rates. This is completely false. I can very easily prove it by mentioning some policies which specifically aim at protecting those in the lower income brackets. Of course, interest rates are one of the factors which can cause poverty, but it is not the only one. Is it not a fact that Canadians who are now paying higher interest rates are also paying only \$1.80 or so for a gallon of oil compared with about \$5 in every other industrialized country? I heard a member of the opposition say earlier that co-operatives could no longer build in Canada. I find this extremely surprising because the Canada Housing and Mortgage Corporation now lends money to co-operatives at an interest rate of 2 per cent for housing projects. I find it extremely difficult to explain why they cannot build when the interest rate is 2 per cent; if they cannot do it now they never will.

As far as I can see, the proposal made by the opposition party is just about the same song we heard from the official opposition last week. Members opposite would rather have lower interest rates in Canada. I would too, of course. But in what context? If it is in a context where the world interest rate hovers around 10 per cent, then the Canadian interest rate should also be 10 per cent for the well-being of all of us, but if conditions are such that the U.S. prime rate nudges 20 per

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cent, what is the meaning of the position taken today by the opposition parties? It is very easy to define. It means that the dollar is weakening. It means that the value of our Canadian dollar is going down, so what does that imply? It implies that the price of all imported goods is going up. The price of oranges is going up, the price of coffee is going up, the price of sugar is going up, the price of energy is going up, the price of oil is going up, the price of cars is going up, the price of car parts is going up, the price of each and every consumer goods will go up tomorrow morning.

So who is undergoing the effects of all that? Mr. Speaker, I agree that it is important to stand up in this House and speak for those who can borrow because, thanks to everything that has been done in our country over the past 20 years, Canada ranks first in terms of single-family dwellings per capita. Canada is where residents own the largest number of goods, Canada is where people can borrow more than anywhere else, because no other country offers better borrowing opportunities than Canada does.

Of course, any member who rises in this House and attempts to defend those who can borrow is making friends with a great many people. But one thing that should not be forgotten is that there are people in Canada who cannot borrow even when the interest rate is 5 per cent. I am referring to Canadians who draw unemployment insurance benefits, people who depend on social welfare to survive, the elderly in many cases and widows in many others who are facing problems. There is one very simple aspect which we ought to keep in mind, namely that in any money-lending system, be it Canadian, Russian or American, no person can borrow unless he or she already has money or property. If a person does not have anything there is no way he or she can borrow even when the interest rate stands at 5 per cent.

When I hear our so-called socialist party lecture this House on the need to bring down interest rates, which would necessarily lead to a weaker dollar and force those people who have barely enough money or an income hardly decent enough to safeguard their pride, to pay more for the bare necessities of life, for sugar, salt and coffee, as we often say, then I really wonder what kind of socialism they profess. I have great difficulty in—

Mr. Nystrom: Mitterrand!

Mr. Gimaïel: —Mitterrand, indeed! That party seems to think that we would be better off with Russian style policies, even though Russia has trouble feeding its 300 million people spread out over a huge landmass. That is the kind of socialism you are advocating. No, Mr. Speaker, the New Democratic Party in this motion of theirs is simply asking us to help multinationals and big corporations borrow still more money.

As a government we are naturally much concerned with the fact that the medium and small businessman, the farmers, the home owners have to pay more to borrow money. But was it