

per cent inflation this year. Last month inflation was 9 per cent. Now we are being told the chronic problems we have in this country will be solved by some type of a falling dollar, to a level they have yet to state.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has now expired.

Mr. Ed Lumley (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is our most recent information that borrowing costs to the Government of Canada on 90-day treasury bills remain below those of the major finance companies over the same term. I want to emphasize "over the same term." You cannot compare 90-day bills of the government with a 30-day note to a private company, a situation which is sometimes alluded to by members opposite. This must be particularly taken into consideration when account is taken of the commissions that such companies must pay to dealers that market their obligations.

Nevertheless, it is generally true that in Canada the spread between interest rates paid on Government of Canada debt and those on the debt of other Canadian borrowers has narrowed over, say, the last year, not only on short-term but also on long-term securities. The question then arises: Would one wish to describe this process as reflecting a decline in the government's credit rating? Can one simply look at interest rate levels, relative or absolute, and make such judgments? Despite this narrowing, the interest rate paid by the government of Canada on 90-day treasury bills has declined substantially in the past year. This can hardly be described as a deterioration in the credit rating of the Government of Canada.

In general, interest rate differentials between government and other securities of the same maturity have reflected the relative demand and supply of funds in particular markets.

The narrowing of the spread between rates on comparable government and corporate debt over the last several months reflects a rise in the volume of government debt marketed relative to that of corporations. This is a necessary concomitant of the deficits that the government currently runs to stimulate the economy. On the other hand, corporations' requirements for funds have recently declined sharply. This is indicative of the general improvement in corporate liquidity positions: undistributed corporate profits rose more than 26 per cent in 1977 over 1976.

In so far as our international credit rating is concerned, the Government of Canada has not itself, of course, raised money outside the country for several years. We anticipate no difficulty whatsoever in doing so now. In fact, we expect that the \$750 million U.S. dollar bond issue which we are in the process of arranging will be very favourably received in the international financial market.

Mr. Stevens: Tax free.

Adjournment Debate

Mr. Lumley: As to the report that a particular Kuwaiti investor has dumped hundreds of millions of Canadian dollars, this is a rumour without basis in fact. A number of stories have circulated in recent weeks that are similarly unfounded. Attempts by the opposition to add to their credence merely serves to increase the tendency to disorder that has arisen in the foreign exchange market from time to time. This is unhelpful to our efforts to preserve orderly market conditions. The recent steps taken by the government have helped to restore some stability to the market.

● (2212)

ENVIRONMENTAL AFFAIRS—AKAMINA-KISHINENA, B.C.— PROTECTION OF WILDLIFE

Mr. Bob Brisco (Kootenay West): Mr. Speaker, on March 9 I addressed a question to the Minister of Indian Affairs and Northern Development (Mr. Faulkner) dealing with his responsibilities vis-à-vis national parks. My supplementary question was addressed to the Minister of State (Environment) (Mr. Marchand) dealing with the Canadian Wildlife Service and his responsibility in that context.

My question dealt with a wilderness area adjacent to a federal park, Waterton Lakes National Park. Immediately to the west of that national park is an area that is called the Akamina-Kishinena watershed or wilderness area. This area has been tentatively set aside by the British Columbia government as a wilderness area not yet in the classification of a park. Nevertheless, that is the ultimate aim and objective of the province of British Columbia. That at least has been the indication.

The area now has major infestation of Rocky Mountain pine beetle. It is the desire of the British Columbia forest service to clearcut log that area. I can certainly respect their concern and desire to eradicate in that valley the pine beetle and protect the valley from the deprivations of fire once the timber becomes so decadent that it becomes bone dry. I can understand why they want to salvage that timber.

There is another concern. Immediately they enter into that area to log it, they expose it to ready access by the public. They immediately apply a great deal of pressure to the wildlife in that area. It is in that context that I asked the minister to make representation to the province of British Columbia, through the Canadian Wildlife Service and his responsibility to them and their responsibility to him, asking the province to reconsider their decision to allow the forestry department to clearcut that area.

The Canadian Wildlife Service has become involved before in their concern for animals in the national parks, particularly with reference to the Rocky Mountain bighorn sheep which was nearly wiped out in Kootenay National Park as a result of a lung worm infection or disease. That was because of lack of forage for the number of sheep present.

The Canadian Wildlife Service has also addressed itself to studies of grizzly. In the Akamina-Kishinena we have an endangered species indeed, the grizzly. We have an even more endangered and rare species called the northern Rocky Moun-