

his duties, that might form the basis of a specific charge to that effect by a member with the concomitant results well known to members on both sides of the House.

I find, however, that the general allegation of a standard of conduct which is perhaps less than the perfect standard which might be observed by other members were they in the position of the minister is perhaps a criticism of the ministry but it does not in my opinion constitute a prima facie case of question of privilege.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for St. John's East on a supplementary.

PROPOSAL TO ESTABLISH LOW INCOME EARNERS' CONSUMER PRICE INDEX

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question for the Minister of Industry, Trade and Commerce has to do with Statistics Canada. In view of the fact that low income earners in Canada spend a much larger proportion of their incomes on certain components of the Consumer Price Index such as food and shelter than does the average Canadian family, would the minister instruct Statistics Canada to institute a low income earners' index which would adequately reflect the effects of rises in the cost of living specifically on low income earners?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I would be pleased to refer that representation to the Chief Statistician.

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HOUSING

INCREASE IN INTEREST RATE ON LOANS TO PROVINCES FOR PUBLIC HOUSING—GOVERNMENT POSITION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is directed to the Minister of State for Housing. Since the 10.3 per cent increase in the housing index portion of the cost of living figures released today represents the highest increase for a comparable period of time in the past two decades, and since interest rates account for a major proportion of the increase, can the minister explain to the House the incredible decision made by his department last week to increase the interest rate on money going out to the provinces for public housing from 10 per cent to 10½ per cent? Given the need for more public housing and the need to solve the problem of interest rates, can the minister explain why the government last week increased its own interest rate to the provinces.

● (1420)

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, it has been the practice of CMHC to lend the provinces the funds necessary and agreed upon at the rate at which we borrow from the Department of Finance, plus ¾ of one per cent, I believe, to pay for handling. That has been the consistent practice except in specific areas involving programs with interest rate sub-

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dies. We have done this in previous programs and will in future, and this fact will be reflected in new programs.

REASON FOR DIFFERENCE BETWEEN LENDING RATE TO PRIVATE DEVELOPERS AND TO PROVINCES FOR PUBLIC HOUSING

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question, Mr. Speaker. The minister knows very well that that is a matter for his decision. Why is the government lending money to the provinces, for public housing, at 10½ per cent, when it is lending money to private developers at 8 per cent? Why is it putting out money for public housing at an interest rate substantially higher than that made available to private developers for limited dividend housing?

Hon. Barney Danson (Minister of State for Urban Affairs): Mr. Speaker, it is a judgment which must be made. Interest rates have to reflect costs, to some extent, even when subsidized. In my judgment that is the logical way to provide money to provinces at a lower cost than the one at which they are able to raise it for themselves. They seem quite happy to accept it on that basis and we provide a subsidy in those areas where we see specific benefits.

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FINANCE

SUGGESTED DIVERSION OF FUNDS FROM CONSTRUCTION OF PUBLIC BUILDINGS INTO HOUSING

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. Since one of the government's stated cures for inflation involves increased supply, will the government consider cutting back on its stated intention to spend some \$128 million during the current fiscal year for federal government buildings in the Ottawa area and divert funds to the much needed housing sector?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, there was a general understanding on the part of the provincial premiers, when they met the Prime Minister and me—

An hon. Member: Before or after coffee?

Mr. Turner (Ottawa-Carleton): That was after coffee, Mr. Speaker—there was the general understanding that, in certain overheated areas of the country, it might be wise to postpone or orchestrate capital building in favour of residential housing. This is something I want to take under consideration. I will give the hon. member a fuller answer on budget night.

REDUCTION OR REMOVAL OF SALES TAX ON BUILDING MATERIALS—INCLUSION OF LAND COSTS IN COMPILATION OF CONSUMER PRICE INDEX—GOVERNMENT POSITION

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, my supplementary question is also addressed to the Minister of Finance. As the consumer price index for