

Oral Questions

But I must say I was surprised when the hon. member referred to lay-offs which she alleges are occurring in the Canadian economy. I would remind her that in the month of April we had the lowest unemployment rate in this country we have had in five years.

Some hon. Members: Hear, hear!

Mr. MacEachen: We have, in addition, created more jobs. We have at the same time created about 330,000 jobs year to year in Canada, an increase in employment of 3.3 per cent. No other industrialized country in the world can compete with that job-creation record in the last year.

Some hon. Members: Hear, hear!

EFFECT ON PEOPLE WITH FIXED INCOMES

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I can tell from the minister's response that he has not been talking to any of the people who have been hurt all across this country by his high interest rates. This does not just apply to the small businessmen and the farmers I mentioned; the interest rates are hurting all the people in this country he spoke about because they are fuelling inflation and causing the prices of everything we buy to go up. I would like to ask the minister if he has looked at even the most basic, essential goods which people have to buy, including food? Is he aware of the fact that milk has gone up 73 cents for a three-quart bag since interest rates started spiralling, that potatoes are up \$1.30 for a ten-pound bag, that butter is up 40 cents a pound, that sugar is up \$1.40 a bag, and that bread is up 18 cents a loaf? On top of that, is he aware that—

Madam Speaker: Order, order.

Miss MacDonald: —home heating fuel has risen 36 cents a gallon?

Madam Speaker: Order, please. Order. I am sure the hon. member is quite conscious of the fact that she is making a speech. The question period is designed to ask questions. If the hon. member requires some information, she now has the opportunity to ask for it.

● (1420)

Miss MacDonald: I will put my question to the minister, who has said in recent days that these increases will have to be absorbed by the people. I would like to ask him quite simply how the people who are trying to live on fixed incomes, the elderly, single parents, and people who are disabled, are supposed to absorb the price increases I mentioned.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has misinterpreted what I said in a recent speech when I said that I believed that the Canadian economy at the present time must absorb increases in energy prices. I believe that. There is no way by which these energy prices can be transferred to any

other group in the community. I believe that, but I am surprised that the hon. member would stand up in the House of Commons and pretend to take a sympathetic view about increasing prices when recently at her party's national convention she approved an increase in energy prices to 75 per cent of the world level, which would add a much greater burden on the consumer price index than anything we have seen to the present time.

REQUEST FOR AID FOR HOME OWNERS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, the minister might talk about people pretending, but he has been pretending to act as the Minister of Finance for some months now. That is all he has been doing, pretending.

Some hon. Members: Hear, hear!

Miss MacDonald: I would like to ask the minister if he has talked to any of the hundreds and thousands of Canadians who are now being forced out of their homes because of the high mortgage rates. Have any of his backbenchers been talking to these people? A year ago the minister said that the federal government would consider special assistance to home owners if interest rates soared under the floating rate. He said that he would take action, and since he is supposedly an honourable man, I would like to ask him what he is going to do to honour that commitment.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, we have been through this particular question before. It is true that when interest rates increased very rapidly a year ago I undertook to take special account of the home owners in Canada who were renegotiating their mortgages. That was done, and we found that in a very high proportion of the cases, first, because of increases in incomes home owners had experienced and, second, because of the appreciation in the value of their homes they had experienced they were able to bear the burden of these increased mortgage payments. That is the fact.

The fact of the matter is that during that very difficult period almost all of those who renegotiated their mortgages were able to meet the problems, and that small percentage which had a higher proportion of debt to income than is normally carried was helped by special arrangements made by the minister responsible for CMHC in order to carry them through that difficulty. So there is no point, as we go through this difficult period, for the hon. member to be creating more false situations and false issues in the country than exist at the present time.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!