

*Oral Questions*

rent rates, might, in effect, act as a self-fulfilling prophecy by aggravating the trend of inflation itself.

I told the labour leaders as long as six months ago in Vancouver that from my point of view the addition of a COLA clause makes a good deal of sense, because it responds to the cost of living rather than anticipating rates of inflation, which hopefully will not be attained. I also see no objection to periodic adjustments. What we are trying to avoid is anticipated wage rates that might, in effect, aggravate and propel the forces of inflation.

**Mr. Stanfield:** A further supplementary question, Mr. Speaker. I try to be patient with the Minister of Finance because he does have a difficult responsibility, but I should like to ask him when he is going to speak frankly to us and to the principal groups in the economy, instead of giving us all this mystery and double talk. Has the Minister of Finance expressed this point of view to the leaders of labour, or, rather, is it correct to say, as has been said by them, that the minister has made no such suggestion to them but has talked to them about the possibility of controlling or reducing profits, interest and other forms of rip-off? What kind of a game is the minister playing? If he wants confidence and the support of this House and the country, then would he please simply explain to this House and to the people of the country what it is he is trying to do? Does he want voluntary guidelines?

**Mr. Turner (Ottawa-Carleton):** Mr. Speaker, I stated to the leaders of labour what I have stated to the hon. gentleman. I have assured them that whatever mutual understanding can be arrived at, and we are still at the exploratory stage, the position requires the co-operation of all segments of the economy, and labour will not be called upon to make any sacrifices that other areas of the economy are not prepared to make. Nor is labour to be the scapegoat of any understanding. The hon. gentleman is referring, of course, to some remarks that may have been made in response to what I said yesterday in Toronto. I would hope that the labour leaders concerned would now have an opportunity to read the whole speech and judge the whole tone of it, because I suspect that at the time they were asked for comments they had not had the opportunity to read it.

**Mr. Stanfield:** Mr. Speaker, I regret to have to ask another supplementary question, but I should like to get a definite answer from the Minister of Finance. He has indicated that labour is not going to be asked to carry the can by itself, but is he in fact seeking a comprehensive understanding as to guidelines respecting labour, salaries on the one hand, profits and the revenues of other groups in the community on the other?

**Mr. Turner (Ottawa-Carleton):** Mr. Speaker, I can repeat to the hon. gentleman, and I am being as frank as circumstances permit at this stage in the discussions, that we are at the exploratory stage, and rather than seek to impose what the hon. gentleman has termed guidelines, from the government's point of view, we would prefer to see this mutual understanding evolve from all quarters of the economy.

[Mr. Turner (Ottawa-Carleton).]

FAILURE OF INTEREST RATE ON CONSUMER LOANS TO FOLLOW DECLINE IN PRIME RATE—GOVERNMENT ACTION

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, during the three years in office of the Minister of Finance, and I believe his anniversary is today, the prime bank lending rate has risen from 6.5 per cent the year before he took office to 10.7 per cent last year. In view of the fact that the prime rates are now breaking and coming down, will the minister indicate why consumer rates have not similarly fallen, and does he believe that they will fall?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, I do not keep count of anniversaries the way the hon. gentleman does. I am glad his indication of selective statistics has pointed out that I have survived for three years in this interesting portfolio.

**Some hon. Members:** Hear, hear!

**Mr. Turner (Ottawa-Carleton):** I suppose if the hon. gentleman wanted to prompt the statistic I was most proud of I would say to him that in the time I have held this portfolio there have been a million new jobs created in this country.

**Some hon. Members:** Hear, hear!

**An hon. Member:** And how much unemployment?

**Some hon. Members:** Oh, oh!

**Mr. Turner (Ottawa-Carleton):** Mr. Speaker, I did not bring up this subject, I am just trying to reply to the question. If one is going to measure the economy in human terms, as to how men and women are able to earn their bread and butter and a decent living in this country, then that figure is of great significance.

**Mr. Stevens:** Mr. Speaker, my reference to the sad three-year record of the Minister of Finance appears to have flustered him so much he forgot to answer my very simple question. I asked him whether he anticipated that the interest rates now paid on consumer loans in Canada, particularly those with chartered banks, would be coming down? I would also ask whether he intends to direct the banks to lower the consumer rates under consumer credit plans?

**Mr. Turner (Ottawa-Carleton):** Mr. Speaker, one would expect, as the prime rate is reflected in the interest rate structure of the banks, that this will happen.

● (1430)

SUGGESTED COMMITMENT TO GOVERNMENT EMPLOYEES OF COST OF LIVING CLAUSE IN ALL CONTRACTS TO GIVE CREDIBILITY TO DISCUSSIONS WITH OTHER GROUPS

**Mr. Edward Broadbent (Oshawa-Whitby):** Mr. Speaker, my question also is directed to the Minister of Finance. If his claim to try to build some kind of consensus on the basis of equity through all sectors of the economy is to attain any credibility with the trade union movement and specifically with the leaders of that movement, is the Minister prepared now to commit the government to some specifics in this area. More particularly, is the Minister prepared to assure the House that the government, in