

mortgage rates. If the Minister were to be negotiating a mortgage today, would he take out a mortgage at a floating interest rate, would he negotiate a short-term mortgage, or would he negotiate a very long-term mortgage knowing his own position on this particular topic?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have indicated that the bank rates and prime rates in Canada and the United States must be very, very closely related. As far as mortgage rates and other rates are concerned, the Hon. Member knows that there have been larger differences in those in the past. As a matter of fact, interest rates on consumer loans in Canada were lower than they were in the United States over an extended period of months last year.

There is no guarantee or assurance that higher mortgage rates in the United States will necessarily mean higher mortgage rates in Canada. We will have to see the evolution of the situation. In addition, my friend is asking me at best about the speculation of a particular organization in the United States as to what will happen to mortgage rates. I invite the Hon. Member to show a little patience. He may be disappointed, and things may turn out better than he thinks they will.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is speculative to a certain extent, but it is related to the kind of issue which every Canadian who sits down to negotiate a new mortgage, or renegotiate an existing mortgage, must face these days. It is a real issue facing most Canadian citizens today.

I would like to repeat my question to the Minister since he is responsible for government policy and since people look to him for some guidance about what to expect in the future. If the Minister were to sit down and negotiate or renegotiate a mortgage today, would he negotiate a floating interest rate, a very short-term, or a very long-term mortgage contract? Can he give Canadian citizens some indication of what he would do?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it is a well-known rule of the House that speculative questions are out of order. Obviously the answers to such questions would be out of order as well.

EFFECT OF MORTGAGE RATES ON CONSTRUCTION INDUSTRY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Canadian Construction Association said today that unstable interest rates will mean a terrible year for the construction industry. This means that it will be a terrible year for those Canadians negotiating a mortgage, for the construction industry, and for the manufacturing industry which serves that critical industry during a recovery. Is the Minister prepared to allow interest rates to be maintained at present levels, or increased, and watch the Canadian construction industry, that portion of the Canadian manufacturing industry that is

associated with the construction industry, and Canadian home owners, knocked to their knees as a result of his high interest rate policy?

[Translation]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I shall be happy to answer this question. I had some meetings with the Association of Canadian Industries a few weeks ago and also with the construction industry, and the Hon. Member ought to know that the latest figures on residential construction, particularly in Canada, are very encouraging for the first three months of this year. It seems the rate of construction in 1984 will be higher than it was in 1983.

I would like to draw the attention of my hon. friend to the fact that the construction industry referred to unstable interest rates. There is no reason to believe that the movements of the past few weeks will lead to further substantial movements in interest rates in the weeks and months to come.

As I said before, I am sure my hon. friend would not have seen fit to rejoice and say our problems are solved, if interest rates had gone down by one-half of one per cent. Similarly, an increase of one-half of one per cent should not be a reason for him to declare bankruptcy, go around in sack cloth and ashes and imagine that our economy is going to stop growing—on the contrary! I would invite him to look at the figures for the Gross National Product in January 1983, which indicated for that month an increase of 1.3 per cent, in real terms, which is exceptionally high.

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● (1430)

[English]

NATIONAL REVENUE

DEPARTMENT'S TREATMENT OF TAXPAYERS—CASES SUBMITTED TO MINISTER

Mr. Otto Jelinek (Halton): Mr. Speaker, my question is directed to the Minister of National Revenue. Three months ago I began sending him documented revenue cases ranging from harassment and discrimination to outright blackmail by his Department. At one time I was in contact with the Minister's office on a daily basis compiling all of these documented cases. I am still waiting for an answer which, after up to three months, is not forthcoming. In fact not one of my requests or letters regarding these cases has been answered by the Minister.

I want to ask the Minister if he can justify not responding for up to three months to these very important cases? Can he justify the dozens and dozens—nearly 100 cases where innocent citizens have been allowed to suffer mentally and financially? Finally, can he justify his Department allowing small businesses to continue to go bankrupt as a result of his inefficiency?