

*Oral Questions***CONSUMER AND CORPORATE AFFAIRS****HIGH INTEREST RATES CHARGED BY BANKS—GOVERNMENT INTERVENTION**

Mr. MacEachen: There is absolutely no foot-dragging on the Canadian side. I think the company involved in the project would be the first to admit that there has been absolutely no default or failure on the part of the Government of Canada or the Northern Pipeline Agency. I do not think that our determination to have this line constructed enters into the current negotiations. One does not affect the other, as far as I am concerned.

Mr. Andre: The president of Foothills Pipelines (Yukon) Ltd. indicated that unless the cabinet responds with a positive decision by July 15, there will be at least a year's delay. If nothing is done by the end of August, there could be a delay longer than that.

Mr. Nielsen: Abandonment.

Mr. Andre: Abandonment, perhaps. Also, the cabinet has recently imposed conditions which the American sponsors of the line do not understand; they do not know how to respond to them. This is leading, naturally, to a conclusion that perhaps the federal government has some new strategy in mind.

If the minister is assuring the House that it is still progressively pursuing this pipeline, and the government is not linking it to oil pricing or to a gas export tax—which is something else that has been suggested—would the minister assure the House that there will be a favourable decision made prior to July 15, the deadline for commencement of work this winter?

Mr. MacEachen: The hon. member has introduced a new element into his questioning. Instead of talking about over-all construction of the line, he is now presumably asking us under what conditions we would authorize the pre-build.

The answer to that is quite simple, it seems to me. It is that the pre-build could only be authorized if the Canadian government were satisfied that the total line itself were to be constructed. It does not seem to be in the interests of Canada to construct the pre-build pipeline in order to push Canadian gas into the American market without any assurance that in the future American gas from Alaska will go into that market. That is totally in contradiction with the initial conception of this particular project.

• (1125)

Mr. Andre: Perhaps the minister could do everybody, including himself, a favour and indicate to the House what additional conditions are required above and beyond those in the act in order to complete the whole line. Perhaps we could commence work this afternoon.

Mr. MacEachen: Madam Speaker, that is a simple question to answer. When the Americans show the financeability of the line, which they have not been able to do, that would be the assurance required.

Some hon. Members: Hear, hear!

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. In light of the successive decreases in the bank in Canada and the fact that the banks have been reluctant to bring down the prime rate, especially for consumer lending and small business loans, and recognizing the fact that the interest rate spread is the highest it has been in recent history, can the minister explain why he has failed to act to prevent the banks from gouging the consumers the way they have been doing, as reflected by the very high profit pictures over the last little while, especially in view of the fact he made commitments in this House previously concerning this matter?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs and Postmaster General): Madam Speaker, I do not agree at all with the premises of the hon. member's question.

[*English*]

Mr. Skelly: Madam Speaker, the minister may not agree, but many other authorities do. Can he say why he has failed to act on a matter that he discussed previously and made commitments on in this House with regard to bringing down interest rates charged by credit card issuers in this country, such as Chargex, Master Charge and the multinational oil companies which have all substantially increased their credit card interest rates?

In view of the falling cost of money now, does the minister agree the consumers are being exploited? Does he agree he made commitments previously, and what is he going to do to deliver some action?

[*Translation*]

Mr. Ouellet: Madam Speaker, surely the hon. member knows that the use of a credit card is an option which is offered to those who buy products; consequently, there is no interest incurred if the user of that credit card pays his bill within 30 days. It is only when the bill is paid late that interest begins to be added. Consequently, if the consumer finds that the charge for use of the credit card is too high, there is a very straightforward solution, which is to avoid using the credit card.

[*English*]

Mr. Skelly: Madam Speaker, my final supplementary is addressed to the Minister of Finance, who certainly cannot concur with the previous answer. Since, obviously, Consumer and Corporate Affairs will not be protecting the consumer, can the Minister of Finance explain his reluctance to build protective provisions into the Bank Act by which they would monitor and attempt to control these unjust and exploitive interest rate situations in Canada? Will he explain his reluctance in this matter?