

Oral Questions

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, you would not allow me to list them all. In the farm community there are groups like UGG, Unifarm, and Palliser. There are many groups in the West on the farm side who are strongly in favour of what they think the Bill is all about.

In the non-farm community it is generally accepted that this is the way to proceed. I will send my hon. friend a copy this afternoon of the list of people who have expressed a desire to see a Bill of this kind introduced.

Mr. Kilgour: Some of those groups were in favour of the Gilson plan. My understanding is that a much lesser number of them are in favour of the Minister's plan.

SASKATCHEWAN PETITION OPPOSING CHANGES

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, will the Minister give us his reaction to the 108,000 people in Saskatchewan who signed a petition opposing his plan? Will he tell us again why he thinks his plan is fair and equitable for the farming and urban communities in western Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, obviously I cannot do that today, but when the Bill comes in I will do so. The difficulty to which my hon. friend alludes is one that inevitably comes with attempts to compromise. With respect to the method of payment, some say that 100 per cent should be paid to producers while others say that 100 per cent should be paid to the railways. Gilson himself compromised with 81 per cent to the producers and 19 per cent to the railways. So there has to be a compromise. You cannot accommodate everyone 100 per cent.

That is what we have done with the 50-50, in the knowledge that we did not have a monopoly on good intentions or intelligence and that, after a period of time, there would be a major review. This is the commonsense approach that we have taken. I regret that it has not yet gained unanimity in the West, but it is on its way.

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FINANCE

PLIGHT OF BORROWERS COMMITTED TO HIGH INTEREST RATES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, in the absence of the Minister of Finance I wish to address a question to the Minister of State for Finance. He will know that the Minister of Finance has repeated in the House on several occasions that he feels people who are locked into high interest rate mortgages for a long period of time should be treated fairly and equitably by the lending institutions.

Is the Minister aware that the Farm Credit Corporation has people locked into mortgages at 16.75 per cent, and that the Federal Business Development Bank has Canadian businesses locked into interest rates of 22 per cent for long periods of

time? Does he think that it should not be possible for them to refinance with the same institutions?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, when the Minister of Finance was asked that question, I recall that it was in regard to people who had mortgages on homes. So the specific question and the answer of the Minister related to home purchases.

Obviously the principles must be the same. First, the response is that over the last two years most of the mortgages have been short term rather than long term because of the high interest rates. The majority of people who are so-called locked in, are under contracts that are not of a long duration. Second, the Minister indicated that those companies that let mortgages at the high rates of course had to take money at rates that would cover their operations.

Having said that, the Minister undertook to talk to representatives of the banks and trust companies who are handling mortgages so that they would be as sensitive as possible to difficulties in particular cases.

RATES CHARGED BY CROWN CORPORATIONS

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary question is for the same Minister. I think he made the point precisely that the Minister of Finance was indeed talking about home owners, perhaps over 700,000, who are locked into high interest rate mortgages for periods of time, both short and long.

The federal Government does have the responsibility for two Crown corporations; the Farm Credit Corporation and the Federal Business Development Bank. Both of those are lending money over long periods of time. If the Minister can find \$200 million out of thin air overnight for some programs, why is it not possible for the federal Government to have the sensitivity that it is asking of the traditional lending institutions, on behalf of the people who are committed to long term mortgages with those two Crown corporations?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I think if we accepted the Hon. Member's invitation to transfer \$200 million to the banks of Canada or the trust companies of Canada, the next complaint we would hear from the Opposition is that it is a give away program to the private sector. Rather, the Minister indicated that the additional \$200 million would be on top of the \$4.6 billion infrastructure program. Of that, \$2.4 billion goes toward immediate job creation in the country. We know that people are concerned about high interest rates, but there are many Canadians concerned about jobs immediately. That is why that \$200 million was allocated toward jobs. I do not understand the Opposition's criticizing that move to put an additional \$200 million toward the creation of jobs for Canadians.