

Oral Questions

CANADIAN AND UNITED STATES MORTGAGE INTEREST RATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I will try to ask a supplementary question of the Prime Minister and have him explain something to me. Because of the banking system in Canada, there is very little competition. Can the Prime Minister explain why one can obtain a long-term mortgage at an interest rate of 7 per cent or 8 per cent in the United States today? How is it that the Americans, with the competition that exists in the United States, can obtain those kinds of mortgages for their mortgage holders but, because of our restrictive banking system in Canada, with its minimum of competition, we must pay twice that amount? Can he explain why mortgage holders in the United States can obtain mortgages with interest rates of 7 per cent or 8 per cent in a number of States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there are two answers to that question. Yes, I can explain it. The one reason is that interest rates are deductible for income tax purposes in the United States. Mortgage rates are deductible in the United States but they are not in Canada. If the Hon. Member is suggesting that—

Mr. Riis: The banks.

Mr. Trudeau: I am talking about the mortgage holder, Mr. Speaker. That is the question the Hon. Member asked. In so far as making the banking system more competitive, there is a Bill before the House that is intended to do that.

Mr. Riis: The foreign banks?

Mr. Trudeau: Yes, foreign banks which would compete with Canadian banks and therefore force Canadian banks to be more competitive.

REQUEST FOR NEW BUDGET

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is also directed to the Prime Minister who, in his heart of hearts, I am sure, will understand that the employment policies of his Government have been an abysmal failure as shown by today's statement of the unemployment level. We are now faced with the prospect of school graduates entering the work force and the prospect of an increasing unemployment rate during the course of this summer. We are faced with escalating interest rates. We are faced with the dollar being at its lowest level in years.

Does the Prime Minister not think that one of his last gestures as the leader of the country should be to arrange with the Minister of Finance to bring forward a new economic or budgetary statement before the end of June, so that we may adjust in terms of legislation and initiatives to these appalling economic prospects?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Opposition is preventing the Government from moving forward by agreement on the Budget Bills of last year. I am

not referring to this year's Budget but to last year's Budget. Now opposition Members are suggesting yet another Budget for which they would obviously refuse to move the Budget Bills forward. What does the Hon. Member want? He wants a new Budget, but he has not even begun to deal with the last one or the one before that.

Mr. Hnatyshyn: Mr. Speaker, if the Prime Minister and his band of colleagues would bring these measures before the House, he would be sure that they would receive reasonable and appropriate attention.

REQUEST THAT MINISTER OF FINANCE TAKE ACTION

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I would like to ask a supplementary question of the Prime Minister. The majority of economic forecasts and indicators now indicate that there are storm clouds on the horizon and we face the real prospect of serious financial collapse in our country. The Prime Minister can talk about the legislation that is before the House, but he knows that the Government is simply spinning its wheels and is preoccupied with the Liberal leadership convention. It cares not one whit for the people of Canada and the problems they are facing. Will the Prime Minister not tell the Minister of Finance to come forward and deal with the changing economic circumstances so that the people of Canada may be served, rather than the Liberal Party?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member began his question by saying "if the Government would bring the Bills forward". We brought the Bills forward last Wednesday, I believe, and the Opposition filibustered the Bills. We brought the Crown's—

Mr. Dick: Bills? How many Bills?

Mr. Trudeau: Yes, Mr. Speaker.

Mr. McKenzie: Your legislation is no good.

Mr. Trudeau: Oh, yes, Mr. Speaker, Hon. Members would like to say that it is no good. Will the Hon. Member do me the courtesy of hearing my answer? I will then hear any supplementary question he wants to ask.

Some Hon. Members: Oh, oh!

Mr. Trudeau: They are not interested in having any questions answered, Mr. Speaker. The loud-mouths over there just want to shout about the leadership contest, and they are shouting about the leadership contest because they are beginning to be shaky in their boots.