

*Oral Questions*

**Mr. Broadbent:** In view of the interesting contradiction the minister has revealed inside of five minutes, I will direct my supplementary question to the Minister of Finance. Given the horrendous forecast of rising interest rates in the next couple of months, will the minister take steps to introduce a change in the Bank Act to make it mandatory that banks supply mortgage money at interest rates that do not exceed the prime rate?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, I suggest to the hon. member that might not be the way to meet the problem. His suggestion might well have the effect of adversely affecting interest rates in other areas of consumer concern.

[*Translation*]

**Mr. Speaker:** The hon. member for Charlevoix on a supplementary question.

**Mr. Caouette (Charlevoix):** Mr. Speaker, I do not wish to put a supplementary question.

**Mr. Speaker:** Then, I will recognize the hon. member for Charlevoix in a moment.

[*English*]

GOVERNMENT GUARANTEED BANK LOANS—REQUEST THAT MINISTER TAKE STEPS TO PREVENT HIGHER AND OBTAIN LOWER INTEREST RATES

**Mr. Lorne Nystrom (Yorkton-Melville):** Mr. Speaker, I have a supplementary question for the Minister of Finance. In view of the warning by the president of the Canadian Bankers Association that there is a possibility that interest rates on government backed loans to farmers, fishermen and small businessmen will go up, will the minister instruct the president of the Canadian Bankers Association and, indeed, the banks, not to raise their interest rates to farmers, fishermen and small businessmen but, indeed, to lower interest rates to these people?

**Hon. John N. Turner (Minister of Finance):** With respect, Mr. Speaker, the hon. member is confusing two subjects. The first is guaranteed loans that are available under various federal statutes. That is the question I believe Mr. Harrison, the current chairman of the Canadian Bankers Association, is concerned about. The other question is availability of primary credit to small businesses, farmers and fishermen. That allocation is receiving priority treatment from the banks, particularly in slower growth areas, and this is reflected in a practical dual rate system.

INFLATION AND SUPPLY OF HOUSING—STATEMENT BY MINISTER OF FINANCE—GOVERNMENT POLICY

**Hon. Robert L. Stanfield (Leader of the Opposition):** Will the Minister of Finance apologize for saying to the House yesterday that it was the policy of the government to increase the supply of housing? Will he withdraw that statement in view of the statement by the Minister of State for Urban Affairs that it was not the policy of his department, and presumably of the government, to stimulate the construction industry in the supply of housing at this time?

[*Mr. Drury.*]

**Mr. Speaker:** The hon. member for York South.

**Mr. Stanfield:** Mr. Speaker, I rise on a point of order. This is a very serious matter.

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

**Mr. Stanfield:** The Minister of Finance stood up in the House and said one thing about the policy of the government and the minister directly concerned has said something totally different. I do not think the Minister of Finance should be allowed to get away with making that kind of statement.

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

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, if the hon. member will take my statement yesterday in context, he will see that the analysis of the government of the current cost of living situation is primarily a shortage of supply against an excess in demand. I referred to food, housing and, in directing my attention to housing, made mention of the land assembly problem. On the question of funds I might add I am assured that the chartered banks, the trust companies and the life insurance companies are devoting more funds to the housing market. The bill introduced by my hon. friend, the residential mortgage bill, will have the same effect. So in that respect what I said will, I think, stand up.

● (1130)

**Mr. Speaker:** Order, please.

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ENERGY

EXPORT CONTROLS ON GASOLINE—DEVELOPMENT OF ADDITIONAL REFINING CAPACITY IN EASTERN CANADA

**Mr. David Lewis (York South):** To change the subject, Mr. Speaker, I have one or two questions for the Minister of Energy, Mines and Resources arising out of the disturbing objections on the part of the petroleum industry to the imposition of controls on the export of gasoline which the hon. gentleman announced yesterday. In view of the reference by industry spokesmen to the refineries being built or planned in Quebec and the Atlantic provinces, would the minister request his department or the National Energy Board to watch this situation to make sure the corporations will not use the imposition of controls on exports to the United States or elsewhere as an excuse for slowing down the development of additional refining capacity in eastern Canada?

**Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources):** There was quite a range of comment by industry spokesmen, from the independent association in Calgary right through to Mr. John Shaheen. I am therefore not sure to which comments the hon. member is making reference. With regard to the construction of refinery capacity intended for the Canadian market, I have no reason to believe that the proposed new refinery in Ontario or the expansion by BP, Gulf and other companies will in any sense be held back. The question of the expan-