

Oral Questions

Public Works to stop this breaking up of the original family farms and not allow Mr. Goyer to break them up into small pieces as he is doing.

[Translation]

Mr. Jean-Claude Malépart (Parliamentary Secretary to Minister of Public Works): Madam Speaker, I can inform the Hon. Member that the Government is working with local people, including farmers, municipal authorities and people living in the Mirabel area. As for his specific question, as soon as the information is received, it will be sent to the Hon. Member. However, I can give the House the assurance that Members from the area are keeping a close watch on the development of Mirabel.

[English]

REQUEST THAT PRIME MINISTER INTERVENE

Mr. Scott Fennell (Ontario): Madam Speaker, I should like to address my question to the Prime Minister, and point out to him the immorality of what is transpiring in the Province of Quebec. Farms are being broken up into three pieces. Homes are being sold to civil servants and, in turn, are being sold again. Would the Prime Minister please request the Minister of Public Works to have a full parliamentary commission on the disposition of the 80,000 acres at Mirabel?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I apologize. I had not heard the previous exchange, but I will certainly take notice of the question.

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BANKS AND BANKING

USE OF BANKS' PROFITS IN CREATION OF JOBS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I should like to put a question to the Minister of Finance. He will be aware that Canada's five major chartered banks earned \$1.5 billion in profits and paid a tax rate of about 8 per cent, which was the same tax rate as was paid by Canadians who lost their jobs last year and who had to spend the entire year on UIC.

He will also be aware that recently bank officials have been very concerned that the amount of interest they will recover from last year's loans may make their profits go as high as \$2.6 billion, which is more than \$1 billion over last year. Last week the Minister of Finance defended these high profits and low tax rates by saying that he was interested in having his Government "create an environment in which the private sector will continue to invest and to create jobs for Canadians". The Government has been told that the private sector has indicated that it will invest less this year than it did in 1982.

Will the Minister of Finance tell Canadians how he intends to see that the profits accruing to the banks will go to create jobs?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am happy to see that today my hon. friend is neither in a book ripping or book burning mood. He raised a question last week concerning the chartered banks. I indicated that a lot of the profit results from the arrangements that have been made whereby banks were allowed to make loans at very low rates, to the small business sector in particular. The rates were well below the going rate and were offered in exchange for the non-taxation of interest on loans that were made to the small business sector.

Those loans have been made to the Canadian small business sector, have benefited the Canadian economy, are benefiting the Canadian economy at the present time, and are contributing to maintaining and creating jobs in the small business sector.

In addition, because of the seriousness of the recession, the banks have had to provide for large potential losses on their loans. Those credits against potential losses have resulted in a lower income from the banks subject to taxation. If the banks are not going to face those losses, obviously that money is going to come back into the profits that will be subject to taxation. But these have been made under current accounting practices for the banks to maintain their viability and to secure the confidence of people in the banks in Canada. If losses are not occurring, they will go back into profits and be taxed.

• (1440)

Mr. Riis: The Minister of Finance knows full well that the small business community in attempting to obtain Small Business Bonds finds it an impossibility. I will bet him an autographed picture of Governor Bouey that he cannot find a single bank which is prepared to offer him a Small Business Bond, because they are simply not doing it.

PROPOSAL TO IMPOSE WINDFALL PROFITS TAX

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, the interest rates whereby the banks are collecting these huge profits have destroyed the lives of many Canadians who have lost homes, jobs, businesses and farms, while the banks have continued to argue that they could not afford to reduce the amount of interest they have been collecting. If there is any justification for the outrageous imbalance between the cost to individual Canadians and the profit to Canadian banks resulting from high interest rates, will the Minister of Finance at least agree to recapture that money from the banks through a windfall profits tax so that it can be funnelled into helping Canadians to regain lost jobs, to pay off their mortgages, and to restore some semblance of fairness to our tax system?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I will take the Hon. Member's representation as a suggestion. I will certainly examine it, but for the record I would like to read back to him the report of the parliamentary Committee which studied the situation of the banks a few months ago.

Some Hon. Members: Oh, oh!