

Oral Questions

gentleman to be invited to the convention, because his arguments would prove my case better than I could.

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● (1450)

[*Translation*]

ENERGY

**FREEZE ON OIL PRICE AND PROPOSED PIPELINE
EXTENSION TO MONTREAL—PLACE OF DISCUSSION
BETWEEN OTTAWA AND QUEBEC**

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct a question to the hon. Minister of Energy, Mines and Resources.

In reply to a recent question directed to him by the hon. member for Champlain, the minister stated that discussions were to be held today between officials of his department and Quebec government representatives concerning oil and the proposed pipeline. Could the minister advise the House whether these discussions will be held here on Parliament Hill or at the Château Laurier Hotel?

[*English*]

**OIL EXPORT TAX—RIGHT TO IMPOSE WITHOUT
PARLIAMENTARY APPROVAL**

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my question is really addressed to you but I will address it to the Minister of Energy, Mines and Resources. In view of the fact the hon. gentleman has made it very clear that this 40 cents a barrel technique or two-price system, an idea taken from Walter Gordon, will be operated through an export tax, has the minister checked with the law officers of the Crown to determine whether the constitutional rights of parliament are being maintained? Does he have the right to impose a tax on people before that tax has been approved by parliament?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): The hon. gentleman will recall the technique commonly employed in connection with taxation measures, and this action is consistent with it.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, that is the reason I brought your name into it. I want to ask the minister a simple question. Has he obtained the advice of the law officers of the Crown and of the Minister of Justice that to tax people by blackmail before parliament has passed an act is part of the regular procedures of parliament?

Mr. Macdonald (Rosedale): I must say I have not formulated the question in that way.

[Mr. Turner (Ottawa-Carleton).]

FINANCE

**MORTGAGE INTEREST RATES—AGREEMENT BY BANKS
NOT TO INCREASE—POSITION OF OTHER LENDERS**

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is directed to the Minister of Finance. Since increased mortgage rates are costing the average home owner in Canada \$15,000 in extra interest on a 30-year mortgage if paid to maturity, and in view of the minister's statement to the House concerning an agreement with the banks on mortgage rates, to which the hon. member for Oshawa-Whitby has already referred, would the minister tell us whether he has concluded any similar agreement with the other institutions in Canada which actually hold 85 per cent of mortgages compared with the 15 per cent held by the banks?

Hon. John N. Turner (Minister of Finance): I do not think the hon. gentleman's statistics as to the granting of mortgages are accurate in current terms. The undertaking I received from the banks and announced to the House yesterday that they had no intention of raising mortgage rates applies to banks over which parliament has direct authority. Many of the other financial institutions may be under other jurisdictions.

Mr. Stevens: In view of the fact the prime rate now being charged by the chartered banks is 9 per cent, the highest level since Confederation, and an unprecedented one and three-quarter points above the bank rate, would the minister tell us whether the agreement with the banks to which he referred yesterday concerning a special low margin for loan interest rates was made before they raised the rate to 9 per cent or whether the banks have already broken the agreement he thought he had?

Mr. Turner (Ottawa-Carleton): The agreement related only to the rates the banks pay on certificates of deposit. In return for giving my consent under the Bank Act to the interest on those certificates of deposit being raised at a uniform rate of one per cent by all the chartered banks, I asked the banks to see whether they could minimize the spread between what they pay for money and what they charge for money. I am glad to say the banks have narrowed that margin from one per cent to three-quarters on the prime rate for loans, from one to one-quarter on prime rates for loans under \$200,000, and have eliminated the spread completely as far as mortgages are concerned.

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[*Translation*]

EXTERNAL AFFAIRS

SITUATION OF CANADIAN CITIZENS IN CHILE

Mr. Jacques Olivier (Longueuil): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs.

Could the minister advise the House of the fate of some 200 Canadian nationals presently in Chile, who are either being held in custody or unable to correspond with Canadians?