the call on funds and, therefore, to increase interest rates. Perhpas he should try to understand that.

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BANKS AND BANKING

REQUEST THAT ACTION BE TAKEN TO REDUCE MORTGAGE INTEREST RATES

Hon. Edward Broadbent (Oshawa): Madam Speaker, if I needed a lesson in economics, the Prime Minister is the last person in the country to whom I would turn.

I have two supplementary questions following on what he said. There is an area in which the government can deal directly, which has seen a month-over-month increase of considerable proportion; that is, mortgage rates. A major reason for the increase in the cost of living last month was the high levels of mortgage rates. Considering that the federal government has jurisdictional authority over the banks, and considering that before he became Prime Minister there was a requirement in the laws affecting banks that they put up mortgage money at reasonable levels for Canadians, why does the Prime Minister not take action to bring down mortgage interest rate levels as established by the banks, so that Canadians could keep their homes?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member prefaced his question by saying that I would be the last person he would want to ask about economics. Maybe I could take notice of his question and have the second last person give him the answer some other day.

Mr. Broadbent: That kind of flippancy is precisely what accounts for the high level of the Liberal party in the polls today. I asked the Prime Minister a serious question about federal jurisdictional authority over banking; I hope he will deal with it.

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● (1425)

THE ECONOMY

INSECURITY OF JOB HOLDERS

Hon. Edward Broadbent (Oshawa): Madam Speaker, my supplementary question deals with a third area, which is unemployment. Yesterday the Minister of Finance acknowledged that high interest rates have an impact on the level of employment. He implied that having high interest rates will bring down the level of inflation, which will ultimately create more jobs. We have seen an increase in the cost of living directly related to the high interest rate policy. If the government is going to maintain the high interest rate policy, as the Prime Minister said today it will, will he at least admit that thousands more Canadians who already feel insecure about their jobs will lose them in the next few months?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member often asks me rhetorical questions. I try to deal with the substance behind the questions, if there is any. He is just now repeating what I said was not the case. He is repeating that we have a high interest rate policy, and he also says that my policy is to try to keep interest rates high. It proves that he should really ask someone else about economics if he does not want to listen to me. He should try to understand some of the basics.

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[*Translation*]

HOUSING

REQUEST FOR REASONABLE MORTGAGE INTEREST RATES

Hon. Roch La Salle (Joliette): Madam Speaker, the question put by the previous speaker is so important that I wish to pursue the subject in a question that is also directed to the Right Hon. Prime Minister of Canada. The Prime Minister is aware that interest rates are responsible for the critical situation in the construction industry and that thousands of homes were not built during the past two years, as a result of the government's policy. The result has been unemployment. In the circumstances, considering the problems facing Canada, Canadians and Quebecers in the housing sector, is the Prime Minister prepared to make his Minister of Finance see the light and ask him to provide special interest rates for housing?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not sure whether the hon. member is pursuing the question by the previous speaker, but is he suggesting that we should have a special interest rate just for the construction industry and—

Mr. La Salle: We have to start somewhere!

Mr. Trudeau: —is it not going to apply to other sectors? All right, I will let the Minister of Finance know that the hon. member is interested in the construction industry but not in farmers or small business or the fishing industry, and so on.

REQUEST THAT GOVERNMENT APPLY PREFERRED INTEREST RATES TO CONSTRUCTION INDUSTRY

Hon. Roch La Salle (Joliette): Madam Speaker, speaking about the fishing industry, I remember the Right Hon. Prime Minister said two years ago that if gas was going to cost 18 cents more per gallon, fishermen would not be able to afford to go to their fishing grounds. I wonder what is happening to the fishermen today.

My question today is concerned with housing. I could ask the same sort of question with respect to agriculture. I wish to ask the Right Hon. Prime Minister—in fact, the Prime Minister is aware that ten of his members made no secret of