

industry in his country, he took immediate action by telling the Companies either to bring down the price of steel or expect Government action against them. Will the Minister of Finance take comparable action with the banks in Canada, and tell them to renew those mortgages at a rate where Canadians can now save money which they ought to be saving, or the Government of Canada will take immediate legislative action?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would tell the Leader of the New Democratic Party that his question deals with only a small part of the problem. If he looks at the correspondence which he has received, and certainly I have received such correspondence from citizens and Members of Parliament, he will see, no doubt, that a very large number of those cases do not deal with banks. They deal with trust companies and other financial institutions which have had to go into the market to borrow, let us say, on five, ten and 15-year bonds. These institutions have loaned also on a long-term basis, five or ten years. They are in a situation where they have borrowed money on the long term and which they have loaned long term also. Now the Hon. Member wants the Government to tell them they should renew on short term at a different rate. There is a cost to these institutions for that. That is what I am trying to tell the Hon. Member.

We are examining the situation so that institutions will not take the opportunity, on the pretext of any action the Government might decide to take, to charge the consumer at large more than they would otherwise have charged. I believe this is a serious problem which needs and deserves careful consideration. Anything we do here should be for the—

Madam Speaker: Order, please. Order.

Mr. Broadbent: Madam Speaker, the point we make is simply that the financial institutions were making lots of profit at that time and the least they could do now is to share some of the burden with the families who are affected by exorbitant mortgage rates.

REQUEST THAT INTEREST ACT BE AMENDED

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would like to ask a question of the Minister of Consumer and Corporate Affairs who has responsibility for the Interest Act. Considering what the Minister of Finance has just said, that institutions other than the banks are involved, will the Minister bring in, say next week, a bill which will amend the Interest Act, to permit families to renew their mortgages by paying only a three month penalty? That would be an example of concrete action which would show Canadians that the Government actually cares, and would replace the empty rhetoric of which we have heard so much from the Government?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Madam Speaker, as the Minister of Finance has pointed out, we have been consulting. We are very much aware of this problem. I would like to point out to the Hon. Member that mortgages which have been put out by trust companies

are under provincial legislation and many of them are not subject to federal law. That is also one of the problems which we face.

An Hon. Member: Nonsense.

Mr. Trudeau: Study the law.

Mrs. Erola: I want to stress that we are very much aware of the problem. We are examining all ways in which we feel we can make sure that both the borrower and those who are doing the lending are treated fairly.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. FUAD K. MOHAMED, MINISTER OF DEVELOPMENT FOR THE YEMEN ARAB REPUBLIC

Madam Speaker: I would like to draw to the attention of the House the distinguished presence in our gallery today of Mr. Fuad K. Mohamed, the Minister of Development for the Yemen Arab Republic.

Some Hon. Members: Hear, hear!

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UNEMPLOYMENT INSURANCE

MECHANISM TO CREATE JOBS—POLICY INQUIRY

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Employment and Immigration. The Government will be shortly announcing its decision on Unemployment Insurance premium rates for 1984. We know that expenditures under the Unemployment Insurance Program for this year are estimated to be \$11 billion. Given the Government's track record, that situation is going to get worse. I raise my question to the Minister in the context of the recommendations made by the Economic Council of Canada and the statements made by the Canadian Federation of Independent Business. Will the Government be announcing, along with the premium rate schedules, what steps it proposes to take to make the Unemployment Insurance fund a more efficient mechanism for job creation?

Hon. John Roberts (Minister of Employment and Immigration): Madam Speaker, I do not anticipate making the kind of statement which the Hon. Member has described at that time. There is now, as I think the Hon. Member knows, a mechanism within the Unemployment Insurance Act, namely, Section 38, which does provide a method by which funds which would otherwise be paid out for income support can be used to support workers in job creation. We have had considerable success with the use of that provision over the past year. It may be that at some particular time we might focus in again on whether there is some way in which that mechanism can be improved. However, I do not anticipate making the kind of suggestion for changes which the Hon. Member has described