

we would be able to reduce interest rates, the economy would recover, investment and economic activity would start up again and employment would rise. The purpose of 6 and 5 was basically the creation of jobs in Canada for Canadians. We never claimed that this would happen immediately, but the fact is that during the past year, since the 6 and 5 program was introduced, we have been able to cut inflation in half. We have brought interest rates down from 20 per cent to about 11 per cent. We have been able to create some 330,000 jobs since last November. Economic growth has been constant during the past six months. Economic recovery has been very strong, and we are, of course, hoping to create as many jobs as possible, as soon as possible, for all Canadians. However, we do not have a magic solution, any more than the New Democratic Party does.

[English]

APPLICATION OF PROGRAM

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I would like to direct my supplementary question to the same Minister. Thirty-four years ago almost to the month, the present Prime Minister went before workers in Asbestos, Quebec, and, I am told, spoke with passion about liberty and equality. Would the Minister agree that the six and five program has been unequal in its application to Canadians, and would the Minister agree that the present economic system is unequal, in the sense that there has only been a profit recovery, and no recovery for the workers of Canada? Let the Minister answer the question with some policies.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the six and five program has been unequal in the sense that it has not applied to the poorest of the poor and to the people who are in need in the country. The programs designed to help them, have already been fully indexed, as has been the case with old age pensioners, with recipients of the child tax credit, and with recipients of unemployment insurance. These people have not seen a ceiling imposed on increases in their benefits.

All through this time we have been very careful to make sure that the people in need in the country are not affected by the six and five per cent limit that we have put on. What we have done, particularly in the Public Service, has been to disallow increases of even 6 per cent and 5 per cent for upper income public servants. The Hon. Member knows that, and he should recognize that. As a matter of fact the Canadian public recognizes that much more than Members of the NDP seem to realize.

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BANKS AND BANKING

PROFITS EARNED BY CHARTERED BANKS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, the Canadian Bankers' Association tells us that its return on average equity for the first six months of 1983 is more than 15

per cent. That places it virtually in the most profitable sector of the entire Canadian economy. If this trend continues, 1983 will be the most profitable year in Canadian banking history. My question to the Minister of Finance is a very straightforward one. Would he not agree that the profits now accruing to Canada's chartered banks are being made, by and large, at the expense of Canada's small business sector?

[Translation]

Hon. Marc Lalonde (Minister of Finance): No, Madam Speaker, but I may add that the Hon. Member is speculating on what the banks' incomes will be during the next six months, and I would suggest that he wait for the year-end results before drawing any conclusions. However, I may remind the Hon. Member that the present trend seems to indicate that bank profits are proportionally the same as they were in 1981. So there has been no radical change from the situation in 1981, when a committee of the House made a study of bank profits and reached the conclusion that they were not excessive. Parliamentarians themselves examined bank profits in 1981 and found they were not excessive.

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• (1430)

[English]

CANADIAN NATIONAL RAILWAYS

INVESTMENT WITH CAST SHIPPING GROUP

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question for the Minister of Transport concerning the last chapter in the sad saga of Cast shipping group. After losing \$62 million, and other millions in uncollected accounts, Canadian National has discontinued its negotiations to bail out Cast, and Euro-Canadian Shipholdings Limited has gone into receivership.

Three years after the Minister was warned about the danger of CN investing in Cast, and two and a half years after he said it was a good investment yielding profits, will he acknowledge the error of his ways and admit his mistake and that of Canadian National? More important, will he guarantee to the House of Commons that not one more cent from the public purse will be put into the Cast shipping group for further activities of that defunct organization?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if my hon. friend and others did not cry wolf in every instance, I might pay some attention to the advice they give me on specific issues, but they are negative to everything so I have no choice. They are "Messrs. No". There might be other circumstances than the one my hon. friend has in mind to explain the difficulties of the Cast ventures.

Be that as it may, as my hon. friend knows, the situation is that negotiations are rather dormant at this time. I have left the Order in Council on the table so that if and when, or when