Mr. Blackburn: Make it available by law.

Mr. Fisher: Yes. The Hon. Member for Brant says, as I was afraid he would, that we should take his idea and enforce it by law. Again we see the pattern which begins to develop here, that one change in the law, as the one recommended in this Bill, must lead to a second change which would enforce some kind of mortgage pool into existence. I presume that if that does not work, we would then have to pass an additional law, an additional regulation. All of these kinds of regulations and interference in the financial market can be avoided if we get back to the real cure for high interest rates and the long-time cure toward volatile interest rates.

There are no magic answers. You cannot come up with an instant cure and slap it on top of a highly mobile situation, such as that of the capital markets in Canada. Last night at the CLC, for example, someone asked me why we did not have exchange controls. If our interest rates were reduced, and if the reduction in interest rates resulted in a flood of capital going out of the country, then we should cure that by bringing in exchange controls. Yet, Mr. Speaker, exchange controls would simply be another magic answer and, again, I am not very sure they are a workable answer.

Mr. Robert Bryce was the official in charge of exchange controls during World War II. In his recent writings his advice has been very cautious about exchange controls. He warns us that Canada is a wide open country. It is a place where we pride ourselves and we prosper on our trade and our openness. To bring in exchange controls on top of this kind of open situation would really not work. There are hundreds of ways in which individuals and corporations could avoid any exchange control if we were to bring it in. Over these past couple of years the Minister of Finance (Mr. Lalonde) and other Hon. Members of Parliament have given thorough consideration to exchange controls. We have rejected them because they do not fit either the best part of our national economic character or the reality of our economic system. We would have to impose them and then would find that in their imposition they probably would not work. And so another magic answer, another magic solution, would have to be rejected. Just as we have rejected the idea that you can enforce or legislate a mortgage pool, in the same way I would reject the idea that exchange controls could be enforced.

I believe the main problem which we would face in all of this is the nature not only of the Canadian economy, but the nature of capital. Capital will move out of these areas very quickly, will move out of this country very quickly, if the Government appeared to be threatening. I believe the advice we received from the Lortie Commission indicated very clearly how fluid capital really is, and anyone who has worked at all in trying to raise funds will know that the capital market does not have any restrictions on it at this time and capital will move away from any situation which looks too threatening. Therefore, long before we are able to put this kind of suggestion into effect, we would find that the funds available for mortgages had disappeared.

The Hon. Member for St. Boniface (Mr. Bockstael) gave us a very good description of the need for balance in this area. For every borrower there has to be a lender. We are not doing the borrowers any good if we drive away the lenders or if we frighten away the money. This is not an abstract problem. This is not an unfair favouring of capital over the needs of the consumer or the needs of the businessman and the worker. This is in fact a realistic assessment of the existing capital market in North America and, indeed, around the world.

We only have to take a look at the French experience after the Mitterand election to see that attempts to change interest rates away from world trends do not work. Attempts to apply magic solutions do not work. The French had to abandon those attempts after the first unsuccessful experiments. We need to remember that there is a fair balance in this part of life, that every borrower has to be matched by a lender, and the lender has to feel that the arrangement is fair and that the money which is lent will be repaid in a proper way.

I have strayed from my topic, a little, Mr. Speaker, because I feel it is important to give that kind of background periodically whenever I hear comments about mortgages or high interest rates. It is important to talk about the background of the capital market and the nature of the Canadian economy within the North American economy, because to do otherwise is to mislead people.

I began my remarks by saying that the real cure for all of this comes in the form of lower interest rates, and the real way to cure the high interest rate problem is to follow the approach which the Government has taken, and that approach is two-fold: first, we have said that the over-all high interest rate problem is going to be solved when the inflation level comes down. We cannot reach out into every Canadian's life and magically produce low interest rates for every Canadian, so we must deal with the causes of high interest rates. We have to attack the high inflation rate; second, we also have to react to American interest rates. Those are the two magnets which pull at our interest rates in this country, the U.S. rates and our own domestic inflation. As I tried to explain a moment ago, we would have to increase our interest rates if the Americans increased their rates, but we cannot automatically reduce our interest rates when the Americans do. We must lower our inflation rate at the same time.

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As abstract as those ideas seem, they have an important bearing on our lives. Interest rates will come down when we clean up our own act here in Canada by lowering our own inflation. They will also come down when the American rates come down. I am happy to say that we have seen some very good news on those fronts in the past few months.

I should like to refer to a few statistics. The official Bank of Canada rate today is at 9.48 per cent. The one-year mortgage rate is at 11.5 per cent to 11.75 per cent. The prime rates are at 11.25 per cent. Those are record low levels. We have to go back about four years before we find rates that low. In the United States we see the same trend happening. There are now