

Oral Questions

to all Members of Parliament, including my hon. friend, the names of the directors of the various financial institutions, whether they are banks, trust companies or loan companies, to whom we should address our representations when we get complaints from our constituents about this. I have also raised the issue with the Superintendent of Banks and with a number of bank presidents I had the opportunity of meeting in the last few weeks. These are the steps I have taken.

Mr. Blaikie: They are ignoring you.

Mr. Lalonde: Also, the Minister of Consumer and Corporate Affairs indicated yesterday some of the views that the Government holds in this regard. I would think, indeed I said, that it seems to me generally a three-month penalty should be enough for any particular institution.

I recognize there have been private contracts entered into by individuals and financial institutions which do not provide for this kind of arrangement. In spite of that fact I have urged and encouraged the institutions to show a little bit more heart, take the present situation into account and try to arrange it so that they can take into account the particular difficulties of individual citizens.

MARGINS BETWEEN LOAN CHARGES AND INTEREST DEPOSIT RATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, in the same spirit, since the Minister has indicated he has taken some steps to bring the problem to the attention of the financial institutions, he will be well aware that the small business sector is the job creating sector in our country right now. He will also be aware that the level of bankruptcies in that sector has increased in the last six months. Will he take the same approach with the financial institutions, especially the chartered banks, in terms of their wide margins between what they pay to their depositors and what they charge to the small business sector? Will he consider that particular difference in interest rates?

● (1430)

[Translation]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, such matters are constantly under review. There is ongoing competition among financial institutions, be they banks, trust companies or others. I do not intend to intervene, issue guidelines and decide on a day-to-day basis what interest rates ought to be paid on deposits in banks or financial institutions, and what interest rates the various kinds of loans ought to command. In my opinion, we should leave the market free to operate and promote as much competition as possible among those institutions. For instance, as a Government we have decided to open Canada's market to foreign banks and to widen the field of activities of the various financial institutions with a view to encouraging and promoting competition.

Inasmuch as possible, we have to let markets operate freely and stop expecting that day in and day out the Government or the Opposition will decide what interest rates financial institutions should charge. In my opinion, it stands to reason that the best way to help Canadian consumers is to encourage and promote competition.

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[English]

CROWN CORPORATIONS

CANADAIR—MANUFACTURE OF EXECUTIVE JET AIRCRAFT—
GOVERNMENT FUNDING

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Minister of National Revenue, who apologizes or speaks for the Minister of State for Social Development in the other place with respect to social causes for people who own large executive jets manufactured by Canadair. The Minister will know that yesterday a further subsidy of \$240 million was approved for those who buy these jets. In view of the fact that the company cannot make the jets for what the jets are worth on the marketplace, why is it part of the social policy of the Government to manufacture executive jet aircraft to be sold to wealthy companies, individuals, and Governments, for the care of the executive personnel in the country?

Mr. Lalonde: You've got to be kidding.

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, it was rather disappointing to hear the Hon. Member, who sees himself as something of a financial expert in his party, when he made such incredible statements in his introductory remarks. If the Hon. Member had some basic knowledge of the principles of economics, he would realize how important it is to Canada and Canadians to be represented in the aeronautics field. Partisan though he may be, the Hon. Member should at least have the sense to realize that by developing an aircraft like the Challenger, we have taken our place, as a country, in the advanced technology field of aeronautics, and in doing so, there is a price to pay. Some countries bury such costs in their defence expenditures, while others use their Government airlines for the same purpose. Here in Canada, the books are open to public scrutiny, and we are not afraid to reveal the cost of developing this kind of program which will give Canadians a share of the action in a very important field of technology. We have an aircraft we managed to develop ourselves, and Canadians have this know-how because the present Government had the courage to go ahead with the program instead of being afraid to act, like a Government not unknown to the Hon. Member which—

Madam Speaker: Order, please!