

[Texte]

both in banks and trust companies have shown remarkable stability in the face of changing circumstances. So there is an ele-

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ment of stability. Your area of instability is in your deposit up to one year—and there is really only one company, The Royal Trust Company, very active in that area, and its makeup of assets takes that into account.

Mr. Lambert (Edmonton West): You were also mentioning that your mortgages are normally of the five year period, or at least you were driving towards the shorter term mortgage to more or less correspond to the period of the money invested with you in the medium term. But it is not expected that these mortgages shall mature and be paid off at the end of five years, I say this because many of your major companies hold mortgages on the houses across the street from me and they are going to be 20 and 25 year mortgages. Now does this mean that at the end of five years they are going to be renegotiated and that the interest rate at that time will be the market rate?

Mr. Close: That is right, sir.

Mr. Lambert (Edmonton West): I see.

Mr. Close: That is the purpose of opening this for renegotiation. I think my colleagues will agree that in actual fact while it would appear that you might have to renew your household mortgages, a household mortgage under normal circumstances is an attractive piece of paper and there is considerable competition among the institutions to attract that business. Now at this particular moment when money is in short supply the borrower has to be looking for a supplier of funds, but in normal circumstances it is the lender who is looking for a suitable mortgage in terms of house loans. I am not talking of large commercial and apartment-type loans, I am talking strictly of single family dwellings.

Mr. Lambert (Edmonton West): I have one final question on this round and it is for the chairman of the delegation.

I think we have recognized the problem of the high interest rate and the degree of expectation of inflation. What is your assessment as to whether, psychologically, Canadians are turning the corner on this continued degree of expectation of inflation, or have you any suggestions how this may be coped with? There is no point in coming to a diagnosis if we cannot prescribe some form of treatment.

Mr. Bean: Mr. Chairman, there is certainly no universal agreement on where we sit at

[Interprétation]

stabilité. Là, où il y a de l'instabilité, c'est dans les dépôts d'un an ou moins.

M. Lambert (Edmonton-Ouest): Vous avez dit également que vos hypothèques sont de cinq ans, et que vous essayez d'en écourter la durée pour coïncider avec la période des prêts qui vous sont faits, à moyen terme. Mais on ne s'attend pas que ces hypothèques arriveront à échéance et seront remboursées au bout de cinq ans. Je dis cela, car plusieurs de vos sociétés détiennent des hypothèques sur des maisons de l'autre côté de la rue, près de chez moi, et l'échéance ne sera que dans 20 ou 25 ans. Cela veut dire qu'au bout de cinq ans, ils seront négociés à nouveau au taux d'intérêt du marché.

M. Close: Oui, c'est exact.

M. Lambert (Edmonton-Ouest): Je vois.

M. Close: C'est la raison d'une nouvelle négociation. En ce moment, l'argent est rare, l'emprunteur doit rechercher un bailleur de fonds. Mais normalement, c'est le prêteur qui recherche une hypothèque appropriée. Je parle de petites maisons familiales.

M. Lambert (Edmonton-Ouest): Une toute dernière question.

Nous avons reconnu le problème des taux d'intérêt élevés et de l'expectative de l'inflation. Pensez-vous que les Canadiens cessent de s'inquiéter à ce sujet ou alors comment la conjurer? Rien ne sert de diagnostiquer un état que nous ne pouvons traiter.

M. Bean: Monsieur le président, il y a ici un élément qui dépasse largement la compé-