

REQUEST FOR ASSISTANCE TO HOME OWNERS RENEWING
MORTGAGES

Hon. J. Robert Howie (York-Sunbury): I thank the minister for his answer. I had hoped that the poor people of the maritimes might receive a more encouraging comment. When will the minister make a commitment to do something for Canadians who are losing their homes because of high interest rates, high home heating costs and high unemployment? Since the previous government had plans to deal with all three of these problems, will the minister make a commitment to eliminate at least one of these situations?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has raised the question of home owners who may be facing and are facing renewal of mortgages at much higher rates of interest. There is no question about the fact that that is a serious concern to the government and to myself, as minister of finance. I have indicated to the House several times that I have been involved with the financial institutions which, in my view, have a responsibility in this situation.

Mr. Clark: Who elected the banks, Allan?

Mr. MacEachen: That includes the banks, it includes the mortgage companies, and it includes the credit unions and the caisses populaires, all of which are involved in the mortgage business and deal directly with home owners facing renewal. The object of my several meetings with the representatives of these institutions—

Mr. Clark: Was to duck.

Mr. MacEachen: —was to induce them to do what they could to enter into special arrangements to permit home owners to carry their obligations. I am happy to say that in certain instances, flexibility in arrangements has been offered. For example, the caisses populaires have flexible arrangements permitting their customers to carry on. I believe more can be done by the financial institutions to offer special arrangements.

● (1450)

Mr. Baker (Nepean-Carleton): Twenty four per cent is flexibility?

Mr. MacEachen: Something has been done, but more can be done. After their part has been played, then it will be a question for the government to determine what its responsibility is under the circumstances.

REQUEST THAT GOVERNOR OF BANK OF CANADA BE
INSTRUCTED TO LOWER INTEREST RATES

Mr. Dan Heap (Spadina): Madam Speaker, I have a question for the Minister of Finance.

Mr. Clark: There isn't one.

Oral Questions

Mr. Heap: If the Minister of Finance was in Canada during the month of August, he may recall that there was an expression of a sense of outrage by the electors of the riding of Spadina over the government's policy of trying to cure high prices with high interest rates. In fact the electors of Spadina sent me here to remind him of that particular sense of outrage.

Some hon. Members: Hear, hear!

Mr. Heap: My question to the minister on behalf of the electors of Spadina is simply this: when does the Minister intend to give instructions to the Governor of the Bank of Canada to lower the interest rate structure to a tolerable level?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, before answering the hon. member's question I would like to take this opportunity to congratulate him on his first question in the House of Commons—

Mr. Crosbie: And for getting rid of Coumts.

Mr. MacEachen: —and to say in reply that if he reflected upon the situation for a bit, I think he would agree with me that an instruction to the Governor of the Bank to lower interest rates might have the desired effect in the short run. But it would lay the foundation for even greater inflation and higher interest rates after that. I am sure that the electors of Spadina did not have that counterproductive solution in mind when they sent the hon. member to Parliament.

ALLEVIATION FOR THE UNEMPLOYED

Mr. Dan Heap (Spadina): Madam Speaker, my supplementary question is also to the Minister of Finance. On Friday, for example, we learned that another 144,000 Canadians have become martyrs to the theory that high interest rates will cure inflation and restore the economy. These people do remind us that the minister's cure for inflation is worse than the disease itself.

Some hon. Members: Hear, hear!

Mr. Heap: Since the minister seems unwilling to consider any change in policy regarding high interest rates, what does he intend to do to alleviate the misery that is being encountered now by a million or more Canadians who are unemployed as a result of high interest rates which are mowing down employers?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I take exception to the hon. member's diagnosis of the problem. It is not the anti-inflationary stance of the government that is causing unemployment, it is inflation itself that is causing unemployment and slow growth in all of the industrialized countries of the world.

I want to tell the hon. member that unless we succeed in getting inflation down and bend every effort to getting the rate