

Oral Questions

increased profits, since the banks will have to pay more on their own deposits. Everything depends on the margin between the two.

● (1430)

[English]

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that the spreads have been at record levels. The amount that the banks are charging for loans, compared to what they are paying depositors, cause them to reap record level profits in Canada. For example, the Toronto Dominion Bank profits are up 33.6 per cent; Canadian Imperial Bank, 59.8 per cent; the Bank of Nova Scotia had a profit increase of 66 per cent last year, and then there is the poor Royal Bank with a profit increase of 130 per cent in Canada last year.

Why is the Minister favouring a high interest rate policy that can only mean fewer jobs in the Canadian economy, increased pressure on mortgage holders, and can only increase the debt burden of the farmers? Why does he continue a policy that does what Governor Bouey and the banks want, instead of what the ordinary people of this country would like?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, again my hon. friend seems to be selective. He might have added to his list the profits made by the credit unions, co-ops and caisses populaires in the last year. He might have mentioned that indeed these have known increases in profits, and for a very good reason. The increase in profits must be looked at in terms of from where you start. My friend knows that in the last few years financial institutions have been in serious difficulty in this country and that they are recovering from a period when they have known serious difficulty.

The Member says again that the Government is favouring a high interest rate policy. I told him twice in French that this is not the policy of the Government. I said that in English in response to the Conservative question before, I have to give him the same answer in English, that the Government does not have a high interest rate policy.

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AIRPORTS

MIRABEL INTERNATIONAL AIRPORT OPERATING LOSSES

Hon. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Transport. In a recent interview with *The New York Times*, the Minister complained about the extravagance of Canada's airport system resulting in the continuing heavy losses in the Airport Revolving Fund. Since the system is plagued by the continuing heavy losses in the operation of Mirabel International Airport, for which the current estimates indicate \$48 million in this particular year, what plans, if any, is he contemplating or prepared to undertake to reduce this loss at Mirabel which impairs the total Airport Revolving Fund?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, first I would remind the Member for Vegreville that, as he knows, we are presently engaged in a major review of airline policy. The purpose of that is to generate a much broader range of competitive forces in the airline industry, and from that acquire a stronger sense of growth. I think that would have a very important and beneficial effect for an airport like Mirabel and other airports that are underutilized.

The answer to many of our economic problems is to generate more growth and activity, and to give a greater opportunity for the airline industry to provide consumer choices and options. That is a very clear message.

In addition, we have specific initiatives prescribed for Mirabel. We have a report that promotes the development of a new corporation that would undertake marketing for the area. We are selling off certain of the lands, and we are looking at other options for Mirabel and other airports that would give an incentive and added attraction to provide more airport activity. I think we are trying to make a better and much more effective use of the facilities that we now have.

Mr. Mazankowski: The Minister is saying that he is going to propose another series of studies.

REQUEST FOR MINISTERIAL ACTION

Hon. Don Mazankowski (Vegreville): Mr. Speaker, given the fact that the burden of those costs of the operation and maintenance of Canada's airport system, which the Minister referred to in his interview as containing many Taj Mahals, falls directly upon the consumer, and since the Minister is engaged in a campaign to deregulate, with the expectation that air fares will come down, what specific action will he take to reduce the burden of costs which would provide cheaper air fares to the consuming public? He has to do more than simply another study.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I agree with the Hon. Member. Of course more studies will not be the answer. But what we are engaged in at the present time is a responsible series of public hearings so that a wide variety of Canadians from industry and consumer groups can present their points of view. Second, we are also engaged in working internally on how we can reduce costs throughout our system. I would remind the Hon. Member that the primary and critical ingredient to provide for the better utilization of our airports is to get more growth, activity, and action in our airline industry. That means giving the consumers a better choice. That is what we intend to do.