

the release supports the exact interpretation given by my hon. friend. I will have to inform myself on the current situation of the Minister of Industry, Trade and Commerce and get back to my hon. friend.

Miss Carney: Madam speaker, I was quoting from the Minister's press release at the time, so it was a direct quote.

RESEARCH GRANT PROVIDED TO CORPORATION

Miss Pat Carney (Vancouver Centre): Madam Speaker, last December Nabu received an additional \$8.9 million in the form of a research grant from the Department of Industry, Trade and Commerce. In light of its recent announcement of lay-offs of Canadian manufacturing employees, what guarantees did the Government receive in the form of job guarantees for this money? How does the Government monitor the activities of companies which receive taxpayers' money? Or has this Government simply once again thrown more good money after bad?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, again I believe that question is best directed to the Minister of Industry, Trade and Commerce.

Mr. Stevens: He is not here.

Mr. Gray: However, I am confident that there are arrangements to monitor the grants in question, and the details on that can be presented by the Minister of Industry, Trade and Commerce.

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BANKS AND BANKING

INCREASE IN PROFITS OF CHARTERED BANKS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is directed to the Minister of Finance who is well aware of the struggle which the average Canadian is having these days. The typical small business person in Canada is simply trying to keep his business in the black and struggling to do just that. The Minister of Finance earlier this week accused workers of asking for too much with their wage demands in excess of 5 per cent.

I will remind the Minister that the Deputy Prime Minister was on record earlier as asking the banks to bleed a little bit. We find out today, Madam Speaker, that the banks' profits are up 40 per cent. The concern now is that bank profits in 1983 will be higher than in 1981. Will the Minister indicate to this House whether he feels that the banks are playing a fair role in the recovery program, and does he not feel that profits which are up 40 per cent over last year could be considered somewhat excessive?

● (1425)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would like first to tell the Hon. Member I have drawn the

public's attention to a particular collective agreement arrived at in Nova Scotia. I did not point the finger at the workers, I pointed the finger at management and workers for a contract which will last over four years at over 11.5 per cent. This is clearly excessive taking into account the current conditions. Look at the competition that Nova Scotia has to face in this country and which Canada has to face vis-à-vis the United States in particular, where at the present time wage settlements are well below 5 per cent in a lot of industries. If we want to remain competitive, enlarge our economy and have jobs for our workers, we better remain competitive. That is the criterion.

Some Hon. Members: Hear, hear!

Mr. Lalonde: My hon. friend is referring to the banks and he is resorting to the same kind of mathematical games I referred to in a recent speech. He knows that if, for instance, a company's profits in 1982 went down, let us say 50 per cent compared to 1981, even if you have a 100 per cent improvement in profits this year you will only be back where you were in 1981. My friend is resorting to this kind of gamesmanship with figures. What we need is more profit so that there will be more jobs with more Canadians put back to work as a result of more investment by Canadians. We have to do this.

Madam Speaker: Order.

Mr. Riis: Madam Speaker, talking about profits, we in this Party prefer to see profits going into the small business sector as opposed to the chartered banks of Canada. The Minister of Finance, in his effort to mislead the House, inadvertently I am sure, refrained from indicating that the first six months' profit of the major chartered banks of Canada are up nearly \$1 billion over last year. So to suggest that that is some immaterial profit gain, I think is being a little simplistic.

PENALTIES IMPOSED FOR RENEGOTIATION OF MORTGAGES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, as Members of Parliament will be aware, there are thousands and thousands of Canadians who are attempting to renegotiate their mortgages. We have case after case of people being asked to pay \$5,000—

Madam Speaker: Order, please. Would the Hon. Member be shorter in his questions, please.

Mr. Riis: Madam Speaker, I am simply taking as long as the Minister did in his response, but I will be short.

Considering the varied approaches financial institutions take when it comes to mortgage renegotiation, is the Minister of Finance prepared to step in and meet with the heads of the various institutions to try to bring about some similarity with regard to the penalty payments required as people attempt to take advantage of the downward trend in interest rates?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have already taken steps in that regard. I have circulated