

AUTOMOTIVE INDUSTRY

EFFECT OF JAPANESE IMPORTS ON EMPLOYMENT

Mr. Scott Fennell (Ontario): Madam Speaker, my question is directed to the Minister of State for International Trade. The news today is that Japan will export the same number of vehicles this year as it did last year, namely, 174,000. Has the minister analysed the effect this will have on jobs in the automotive industry, and what is he going to do to solve this problem?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, as the hon. member knows, we have indicated to the Japanese that shipments the same as last year of 174,000 units is not acceptable to Canada because of the fact that we expect a decline in the domestic market this year. Thus, if we accepted the status quo, that would mean a higher percentage of penetration of our market by the Japanese. Negotiations are ongoing.

Mr. Fennell: Madam Speaker, I really wonder if this minister has the intestinal fortitude to put his point across in a real way on behalf of the auto workers in this country and let the Japanese know the damage they are doing to the job situation in Canada.

Mr. Rossi: Ask your question.

REQUEST THAT MINISTER NEGOTIATE FAIR DEAL FOR CANADA

Mr. Scott Fennell (Ontario): Madam Speaker, I know a Japanese trade delegation is here right now. When is the minister going to go back to Japan with some hard-headed businessmen to negotiate a fair trading deal for Canada for the sake of jobs in the automobile industry in this country?

Hon. Ed Lumley (Minister of State (International Trade)): Madam Speaker, those decisions are not taken by the private sector in Japan; they are taken by the Government of Japan. I have just returned from Japan with a blue chip group of 50 top level senior Canadian businessmen. Those businessmen are trying to sell products to Japan. They were not trying to restrict the import of products from Japan.

* * *

HOUSING

VARIABLE RATE MORTGAGE SCHEME

Mr. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the minister responsible for housing. Section 6 of the Interest Act stipulates that mortgage agreements must clearly indicate rates of interest, and also that interest is to be calculated either annually or semi-annually. Considering that the latest self-serving gimmick of the banks, the variable rate mortgage, meets neither of these requirements, could the minister tell us today if he has had the legality of this scheme checked out?

Oral Questions

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, the Leader of the New Democratic Party has referred to a section of the Interest Act. I would like to respond by pointing out that Section 3(4)(h) of the National Housing Act clearly states that a mortgage:

—was made on such terms as to principal, interest and taxes by monthly instalments or otherwise as may be determined by the Corporation.

I would like to assure the hon. member in response to his question, and his questions of yesterday, that it is the intention of the corporation to ensure that with respect to any application by any carrier—be it a credit union, bank, trust company or other financial institution—for insurance from the fund for any of these kinds of new mortgage instruments which have been raised, all acts of the Parliament of Canada are closely looked at. The corporation would not insure any loan which did not comply with the provisions of any of the laws of this Parliament.

● (1425)

INQUIRY RESPECTING LEGALITY OF SCHEME

Mr. Edward Broadbent (Oshawa): Madam Speaker, when I put a question to him about the Interest Act, the minister quoted from the National Housing Act. Is he telling the House, in unequivocal terms, that this scheme, which does not stipulate what the interest rate is, which could have a home owner ending up, after five years, owing more money on his home than at the start of that five-year period, is clearly within the law? Is the minister telling us that, or is he not?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I was attempting to respond to the hon. member's question by assuring him that the government is concerned about consumers who might apply to take advantage of that kind of financial arrangement which is offered by credit unions, banks, etc. In so far as the Interest Act has any pertinence to the ministerial responsibility that I exercise, I have indicated that the government will ensure that all acts, whether the Interest Act or any other act of Parliament, are reviewed as they affect the operations of Canada Mortgage and Housing Corporation, and that the legalities of any proposition made by any carrier will be reviewed. We will assure all hon. members that, as has been the practice in the past, the law will be followed.

EFFECTS OF SCHEME ON HOME OWNERS

Mr. Edward Broadbent (Oshawa): Madam Speaker, I take it from what the minister said that the government is going to review the Interest Act which, I understand, has not been changed in about 100 years. I also understand that the government accepts what we say, namely, that the variable rate mortgage is not a legal proposal and is going to require supportive amendments to government legislation. I wish the minister would state categorically if that is what he intended to say.

How can the minister support a scheme, the legality of which we think is nonexistent, that could leave the home owner