

*Oral Questions*

● (1130)

**EXTERNAL AFFAIRS****INVASION OF THAILAND BY VIETNAM—CONDEMNATION BY GOVERNMENT**

**Mr. Broadbent:** We will see if the Minister of Finance demonstrates any more concern. Since it is clear that the chartered banks are not now passing on to the people of Canada the benefits of the lower rate charged by the Bank of Canada, could the minister tell the House what the government plans to do about this extraordinary, unfortunate situation?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, I want to tell the hon. member that the chartered banks have to take responsibility for their own conduct and will have to justify it before the hon. member and before the Canadian people. There is no power within the Government of Canada or within the Bank of Canada to dictate and establish interest rates by the banks or any other financial institution in Canada. I think he is as aware of that as I am.

**Mr. Broadbent:** Madam Speaker, the banks are not only doing that with the prime rate on the loans they pass out to their special customers. It could benefit the economy if they were passing on the lower rates, thereby stimulating the economy and producing more jobs. They are doing the same thing with mortgages, which remain a full two percentage points higher today than they were two years ago, when the Bank of Canada rate was approximately the same as it is today.

Would the Minister of Finance confirm this point? Is he saying that the Government of Canada does not plan to take any action to ensure that the economic benefits of the lower official Bank of Canada rate are passed on to the economy and home owners in Canada? Will he stand by and let the banks of Canada rip off the people of Canada?

**Mr. MacEachen:** Madam Speaker, the Government of Canada has been intensely concerned throughout the course of this year with the very high level of interest rates, beginning with the high level of the bank rate. As the hon. member knows, the bank rate has experienced a very significant drop from a high of more than 16 per cent to less than 11 per cent now. That is to be welcomed. Obviously, the rates in the economy to some extent will be influenced by the bank rate.

**Mr. Broadbent:** They have not been; that is the point.

**Mr. MacEachen:** But the hon. member will realize there is a certain lag between the action taken by the Bank of Canada and the chartered banks. The government is not indifferent to this situation: it will be monitored very carefully. At the present time it is not the intention of the government to seek legislation to establish rates for all financial institutions in Canada, which is what is implied by the hon. member's question.

**Mr. Donald W. Munro (Esquimalt-Saanich):** Madam Speaker, my question is addressed to the acting prime minister and it stems from my proposed motion under Standing Order 43 of yesterday concerning the situation in Southeast Asia.

Will the acting prime minister indicate what instructions were carried by the Secretary of State for External Affairs in relation to his attendance at the ASEAN meeting in Kuala Lumpur, and will he say whether there will be a condemnation of this further incursion into another country in Southeast Asia by Vietnam?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, I am not ready to tell the hon. member what detailed instructions have been given to the minister, or what instructions he has given himself, as to his conduct at the meeting. I will take the hon. member's question as notice and attempt to advise him later.

**Mr. Munro (Esquimalt-Saanich):** Madam Speaker, when we consider that thousands of refugees who have escaped from Vietnamese atrocities in Kampuchea are now being threatened again as a result of these incursions into a neighbouring sovereign state, surely at this time the government should be prepared to stand up, be counted and say what it is prepared to do in the way of condemnation, and in support of Thailand. Is this government just going to sit here and do nothing? That is my question, Madam Speaker.

**Mr. MacEachen:** Madam Speaker, the hon. member is very wrong on words. He has used quite a number of words, with which I totally agree, in description of the present situation.

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**GRAIN****SHIPMENT OF GRAIN DELAYED BY WILDCAT STRIKE OF WEST COAST LONGSHOREMEN—GOVERNMENT ACTION**

**Mr. Gordon Towers (Red Deer):** Madam Speaker, I have a question which perhaps should be directed to the Minister of Labour, but I think I should like to address it to the minister in charge of the Canadian Wheat Board in that it relates to the orderly movement of grain.

In view of the fact that one-third of the west coast longshoremen went out on a wildcat strike yesterday, immediately slowing down the movement of grain, and in view of the fact that farmers cannot at this time tolerate any additional problems associated with difficulties resulting from inclement weather and the high cost of production, is the minister aware of the situation and what is he going to do about it?

**Hon. Jean-Luc Pepin (Minister of Transport):** Yes, Madam Speaker, I was made aware of that situation this