

Oral Questions

clearly leading to a substantial change in the monetary thrust, I should like to ask the minister whether it is a firm indicator that the bank, and in association with the bank the government of this country, are again resorting to the discredited approach of drastic tightening and slow-down to deal with inflation—in other words, whether we are back again to the discredited policy of 1969 and 1970?

Hon. John N. Turner (Minister of Finance): Without accepting the preamble advanced by the hon. gentleman, the answer is, no.

Mr. Stanfield: Since this move by the bank will clearly lead to a general increase in credit costs, in particular to higher mortgage rates and higher operating costs for small businesses, costs which are in themselves inflationary since they make for higher prices, I should like to ask the minister whether it is the government's intention that this should happen, or, if not, what the government proposes to do.

Mr. Turner (Ottawa-Carleton): The government takes the view that an undue increase in the money supply, which would have occurred had interest rates remained as they were, would have been more inflationary than the results of the allegation set forth in the hon. gentleman's preamble. As a matter of fact, the government might well receive an endorsement from the speeches by the hon. gentleman's colleague, the hon. member for Don Valley.

REASON FOR INCREASE IN PRIME RATE BY BANK OF CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Finance whether it would not be nearer the truth to say that the Bank of Canada felt it necessary to take this drastic action to increase the bank rate, with resulting severe increases in the cost of goods for Canadians across the board, because of the lack of any other policy on the part of the government to deal with the inflationary expectations of the people.

Some hon. Members: Hear, hear!

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker, that would not be nearer the truth.

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TRANSPORT

GROUNDING OF TANKER IN ST. LAWRENCE—MEASURES
TAKEN TO DEAL WITH OIL SPILL

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Transport. In view of the recent report about the grounding of an Imperial Oil tanker in the St. Lawrence waterway with a resulting serious oil spill in that waterway, I would ask the minister whether he would inform the House of the extent of the oil spill and the measures being used to contain it.

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this spill occurred in American waters, not Canadian waters, but as the water comes down, of course,

[Mr. Stanfield.]

the spill constitutes a danger. We have taken immediate and appropriate measures. The ship has been boomed so that the oil does not flow into Canadian waters. I hope that the Americans, with our help, can handle this spill.

GROUNDING OF TANKER IN ST. LAWRENCE—ASSURANCE OF
USE OF QUALIFIED PILOTS

Mr. Randolph Harding (Kootenay West): A supplementary question, Mr. Speaker. Could the minister give the House the reasons for the grounding of the tanker in this waterway, as it was obviously off course, and did it have a properly qualified pilot on board?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, this is part of the normal inquiry that the Americans are supposed to hold, because in this case they are responsible for this section.

Mr. Harding: A further supplementary question, Mr. Speaker. In view of the inherent dangers involved in ships using the St. Lawrence River without fully qualified pilots, I would ask the minister what steps are being taken to ensure that all ships in this area be required to utilize only those pilots fully qualified.

Mr. Marchand (Langelier): Mr. Speaker, there is no obligation under the law at the moment to have pilots in this section. It may be the shipowners and pilots association will decide to change their minds, and perhaps the department can discuss it with the Americans. Up to now, however, there has been no obligation to have pilots aboard in this section of the river.

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[Translation]

POST OFFICE

MONTREAL POSTAL WORKERS STRIKE—STRIKE BY
MONTREAL EMPLOYEES—REQUEST FOR REPORT ON EFFORTS
AT SETTLEMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Postmaster General.

On television last night, the minister looked rather annoyed at the goons who have been intimidating the Montreal postal workers. Is he in a position to tell this House where the negotiations stand with the Montreal postal workers union, negotiations meant to insure an early settlement of the dispute?

Hon. André Ouellet (Postmaster General): Mr. Speaker, according to the latest news, a great many workers have returned to work in Montreal. There has been enough mail handling to enable postmen to deliver the mail at the beginning of the afternoon. Incidentally, the postmen are very anxious to do their work. I trust this good example will be followed by all Montreal employees and I hope the situation will be cleared up very soon.

Mr. Caouette (Témiscamingue): Mr. Speaker, I would like to put a supplementary question to the Postmaster General.