

*Inquiries of the Ministry***ORAL QUESTION PERIOD****UNITED NATIONS****MIDDLE EAST—CANADIAN PARTICIPATION IN  
PROMOTION OF PEACE—ARMS SHIPMENTS**

**Hon. Robert L. Stanfield (Leader of the Opposition):** Mr. Speaker, in view of the statement of the Secretary General of the United Nations that warfare has been resumed throughout the Suez Canal ceasefire zone, I wish to ask the Secretary of State for External Affairs if he can assure the house that Canada is responding to the Secretary General's plea that all members of the United Nations exert all possible influence in promoting peace in that area?

**Hon. Mitchell Sharp (Secretary of State for External Affairs):** Yes, Mr. Speaker, I can associate myself fully with the remarks of the Leader of the Opposition. We fully support the Secretary General's appeal to the parties to put an immediate end to all military actions, and to observe the ceasefire.

**Mr. Stanfield:** As a supplementary question, will the Secretary of State for External Affairs indicate to the house what he is doing, in addition to agreeing with the Secretary General of the United Nations, and in particular will he say whether Canada has called upon the countries that are the chief suppliers of arms to the belligerents to impose an embargo on arms shipments to that area?

**Mr. Sharp:** As the hon. gentleman knows, Mr. Speaker, Canada is not supplying arms to either side. We have expressed ourselves as opposed to this. I do not think we can exercise any more influence than by publicly supporting these pleas that are being made by the Secretary General and by others for a cessation of the arms shipments.

**Mr. Stanfield:** I gather from what the Secretary of State for External Affairs says that in fact the government of Canada is doing nothing, except endorsing the position taken by the Secretary General of the United Nations. Perhaps he would say what position the government of Canada is taking with regard to the possibility of a Middle East settlement being imposed by the great powers. Can he indicate to the house what positive movements, what activities the government of Canada is engaged in, with regard to helping out in this area?

**Mr. Sharp:** Mr. Speaker, we have been working as effectively as we can with the

governments of the area concerned to get them to support the efforts being made by the Security Council through the aegis of Ambassador Jarring to reach a peaceful settlement of this dispute. When we were on the Security Council we helped in drafting that resolution, and since then we have been supporting it very strongly.

**Mr. Stanfield:** Is the Secretary of State for External Affairs considering visiting the area himself, to see what he can do directly?

**Mr. Sharp:** I thank the hon. gentleman for his confidence in me, which I accept with gratitude. I trust he will continue to have supreme confidence in my ability to handle these matters. It had been my intention at some time to visit that area, and I hope it can be done soon.

**FINANCE****DISCUSSION OF INTEREST RATES WITH  
CHARTERED BANKS**

**Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Speaker, may I direct this question to the Minister of Finance. Since the Secretary of the Treasury of the United States, David Kennedy, had a meeting with the 24 leading bankers of the United States at which he asked them to hold the line on interest rates and use selective lending rather than raise interest rates any higher, I should like to ask the Minister of Finance whether in the meetings he held recently with the bankers of this country he made similar representations, and whether or not he received any assurances to the effect that an attempt would be made to hold the line on bank interest rates.

**Hon. E. J. Benson (Minister of Finance):** Mr. Speaker, the question of interest rates is presently undergoing a public inquiry before a committee of this house. I should say to my hon. friend that I did urge the banks, when their credit was tight, to lend money in areas of lesser development in the country, and also to small businesses.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Speaker, may I ask whether the minister secured any assurances from the representatives of the chartered banks of Canada that an attempt would be made to hold the line on bank interest rates?

**Mr. Benson:** I think the matter of interest rates and how they are formulated and determined was pretty fully explained just a day