

ing-out operations, and what was the reaction of the manager of the International Monetary Fund to such information?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the manager of the International Monetary Fund and, indeed, all our trading partners in the world, are aware of the figures as they are published monthly, and no comment was made.

Mr. Lambert (Edmonton West): Mr. Speaker, the minister has indicated that Canada's position was understood and approved. My question is, was the information disclosed to the manager of the International Monetary Fund that Canada would conduct these, shall we say, day to day evening-out operations to maintain a relatively grey float rather than a clean float?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I just want to say that the figures are published every month and we put those figures directly into the hands of the International Monetary Fund.

LEVEL OF INTEREST RATES—INQUIRY AS TO ACTION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary question for the Minister of Finance. Is he studying the high Canadian interest rates which undoubtedly are having the effect of attracting short-term foreign capital and thereby pushing up the price of the Canadian dollar? Is he looking into this question, and does the government propose to take any action in respect of the high interest rates in Canada?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, if one were to look at the complete picture for an explanation of the current rate of the Canadian dollar as against other currencies, particularly the United States dollar, one would have to examine some of the underlying bases for the current weakness of the U.S. dollar, and also examine some of the counter factors that might be affecting the value of our dollar in the future, including the deficit on current account, both visible and invisible transactions, and the shortening of the capital account in terms of the influx of foreign investment in Canada.

Mr. Douglas: I have a supplementary question.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands for one last supplementary question on this subject and then return to the matter later if necessary. We must try to make better progress today than we made yesterday. The hon. member for Nanaimo-Cowichan-The Islands has the floor for a last supplementary question, after which the Chair will recognize the hon. member for Greenwood.

Mr. Douglas: Mr. Speaker, in view of the fact that Canadian interest rates are and have been for some time higher than interest rates in the United States, and therefore attractive to short-term United States capital, is the government doing anything about reducing Canadian interest rates as one means of keeping the Canadian dollar from going above the U.S. dollar?

Inquiries of the Ministry

Mr. Turner (Ottawa-Carleton): Mr. Speaker, Canadian interest rates are responding in part to a very strong demand for credit against all the chartered banks and other financial institutions, which is a reflection of the active expansion in our economy compared with some of the economies in Europe and the United States.

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EXTERNAL AFFAIRS

MASSACRE AT TEL AVIV AIRPORT—REQUEST FOR STATEMENT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the right hon. Prime Minister. In the absence of the Secretary of State for External Affairs, would he consider making a statement in the House on motions expressing the horror of Canadians at the atrocious, carefully planned, indiscriminate acts of terror and massacre against innocent civilians which took place at the Tel Aviv airport on Tuesday last?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs is presently attending meetings of NATO in Europe. I will consider the suggestion made by the hon. member.

• (1440)

Mr. Brewin: I have a supplementary, Mr. Speaker. Would the Prime Minister also consider looking into the question of tighter regulations in respect of more effective checking on the use of aeroplanes for the carriage of concealed arms? Perhaps that should be directed to the Minister of Transport but I direct it now to the Prime Minister.

Mr. Trudeau: Mr. Speaker, the Minister of Transport has commented on this and answered questions on other occasions. If there is cause, I am sure he will be prepared to answer again a like question.

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[Translation]

PENSIONS

OLD AGE SECURITY—ALLEGED INTENTION OF QUEBEC GOVERNMENT TO CLAIM PART OF RECENT INCREASE—REQUEST FOR STATEMENT

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of National Health and Welfare.

Does he intend to make a statement on motions following the action taken recently by the Quebec government with regard to its intention of using part of the increase in the old age pensions which was granted through passage of Bill C-207?

[English]

Hon. John C. Munro (Minister of National Health and Welfare): No, it was not my intention, Mr. Speaker.