

*Inquiries of the Ministry***SPORTS****BANFF—SUITABILITY AS SITE FOR
WINTER OLYMPICS**

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. Because of the current controversy with respect to the suitability of Banff national park as a site for the 1972 winter Olympics, can the minister confirm the government's continuing support for this worth-while international athletic event and ensure the accessibility of Banff for that purpose?

Mr. Speaker: Order, please. This is not a question which should be asked at this time.

CANADIAN PACIFIC RAILWAY**B.C. PROTEST AGAINST CURTAILMENT
OF SERVICE**

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I should like to direct to the Minister of Transport. Can he say whether a protest has been received from British Columbia in relation to the curtailment of the C.P.R. passenger services this year, just when British Columbia is expecting such a large influx of tourists, this being her centennial year?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, if by British Columbia the hon. gentleman means the government of British Columbia I think the answer is no. If by British Columbia he means people living in British Columbia, then the hon. member for Kamloops made an eloquent speech on the subject on Friday.

FINANCE**INCREASE IN INTEREST RATE ON
TREASURY BILLS**

On the orders of the day:

Mr. David Lewis (York South): Mr. Speaker, on Friday I asked the Prime Minister, before the Minister of Finance had arrived in the house, a question with regard to the increase in the interest rate on Canadian treasury bills reported in the press last Friday. I asked him whether this was the deliberate policy of the Bank of Canada, and the right hon. gentleman stated that he would consult the Minister of Finance and would try to answer today. May I have the answer?

[Mr. Teillet.]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I had expected that the hon. member would remind the Prime Minister today of his promise and I am prepared to answer the question now.

The increase to which the hon. gentleman referred was 2-100ths of 1 per cent, a very small change well within the usual week to week variations in the yield of treasury bills. The rate on treasury bills is set by market forces working day by day in the open market and each week in the auction for new bills to replace those maturing, which normally takes place on Thursdays. Along with other developments which affect the market, the operations of the Bank of Canada have an influence on credit conditions generally and the yield on treasury bills as well as on other securities. These operations of the bank are shown in the figures that it publishes each week.

Mr. Lewis: A supplementary question. Is it not a fact that in this case the Bank of Canada took no action to forestall this increase which while small has an effect on the general interest rate?

Mr. Sharp: Mr. Speaker, may I just say by way of general comment that within the past year, at least partly as the result of the operations of the Bank of Canada, the money supply, that is, the total currency and chartered bank deposits, has risen by 9½ per cent and during the year 1965 actually increased nearly 12 per cent. So I do not think anyone can suggest that the Bank of Canada has been following a tight money policy.

Hon. J. W. Monteith (Perth): A supplementary question. I am assuming that the relationship between the Bank of Canada and the present Minister of Finance is on a similar basis to that of the former Minister of Finance. Does the fact that there have been successive increases in the bank rate over the past several weeks indicate a trend in government thinking?

Mr. Sharp: As those who are well informed on the subject know, Mr. Speaker, the increase in interest rates in the United States has exceeded that in Canada.

BUSINESS OF THE HOUSE**REQUEST FOR EARLY CONSIDERATION OF BILL
RESPECTING FAIR WAGES**

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question