

Inquiries of the Ministry

this house, namely a steady expansion without inflation. I am not quite sure, and none of my advisers is either, as to exactly the form these measures should take, but I am inclined to agree with Mr. Rasminsky that we cannot depend entirely on traditional means.

U.S. ORDER RESPECTING INSPECTION OF BANKS IN FOREIGN COUNTRIES

On the orders of the day:

Hon. Paul Martin (Acting Prime Minister): I should like to answer a question put to me on March 13 by the Leader of the Opposition. On February 13 I informed the house that the government had made representations to the United States concerning what appeared to be extraterritorial provisions in the proposed revision of certain United States banking regulations issued by the federal reserve board governing the foreign operations of United States controlled banks. Earlier this week, in response to a question from the right hon. Leader of the Opposition, I informed the house that at that time no reply had been received from the United States with regard to the representations made.

I can now inform the house that the United States authorities have now acted in response to these representations. Yesterday the federal reserve board announced regulations which do not contain the extra-territorial implications which Canada felt had been present in the earlier drafts. The federal reserve board expects that the foreign branches and affiliates of their member banks will conduct their affairs in accordance with the laws of countries in which they carry on their activities. This is a satisfactory outcome of our representations.

DISCUSSIONS WITH PROVINCES RESPECTING DEPOSIT INSURANCE

On the orders of the day:

Hon. George Hees (Northumberland): Mr. Speaker, I should like to address a question to the Minister of Finance. While he was preparing his federal plan for deposit insurance did he discuss this important matter with provincial premiers or provincial ministers of finance?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, during the whole course of the preparation of this legislation my officials were in contact with the officials of all provinces, including the province of Quebec.

Mr. Hees: A supplementary question. Did the Minister of Finance take the trouble to [Mr. Sharp.]

speak directly to the provincial premiers or the provincial ministers of finance?

Mr. Sharp: The only minister I contacted personally, and he was not a minister of finance, he was the minister of financial institutions, I believe it is, for the province of Ontario, who was urging the federal government to proceed as quickly as possible with deposit insurance.

May I add, Mr. Speaker, that as the house will recall it had been my original intention simply to introduce a bill so that the question could be looked at carefully by all provincial governments before asking this house to proceed. However, because of the great urgency of the matter and the great pressure that was being put upon the government by other provinces, particularly by the province of Ontario, with the support of all members of the house we went ahead with deposit insurance somewhat earlier than we had originally intended.

NATIONAL DEFENCE

SPEECH BY DEFENCE MINISTER AT HAMILTON, ONT.

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Defence relating to a speech he made recently to a Liberal gathering in Hamilton. Will the minister cease casting aspersions on former distinguished combat officers whose knowledge of the requirements of Canadian defence far exceeds the limited experience of the minister?

Mr. Speaker: Order, please. The question is out of order.

PENHOLD, ALTA.—POSSIBLE REOPENING OF TRAINING SCHOOL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the minister whether a decision has been made or is being considered to reopen Penhold in the province of Alberta for the training of pilots or for air exercises.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I do not know that a decision has been taken, certainly not at the ministerial level. I do know that the question of the future use of that base has been under investigation by training command, and that