

terials to Turkey to replace the arms embargoed by the United States of America. Will the minister tell the House whether it is government policy to refuse to licence the export of arms to Turkey at the present time?

Hon. Allan J. MacEachen (Secretary of State for External Affairs): Mr. Speaker, as I recollect, for some considerable period of time during the situation in Cyprus it was not the policy of the government to approve any such licences. Since the situation has changed, I believe the policy has also been modified. I should like to refresh my memory, however, before giving the hon. gentleman a definitive answer.

Mr. Brewin: A supplementary question, Mr. Speaker. When the minister is looking into this matter would he also see whether American arms are being shipped into Canada for export to Turkey in defiance of the U.S. embargo?

Mr. MacEachen: Yes, Mr. Speaker.

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● (1510)

FINANCE

REASON FOR RELATIONSHIP OF CANADIAN DOLLAR TO UNITED STATES DOLLAR

Mr. J. H. Horner (Crowfoot): Mr. Speaker, may I address my question to the Minister of Finance? Having watched the Canadian dollar drop below par with the United States dollar during the last couple of weeks, is it the direct intention of the Department of Finance to lower the dollar so that we can better plan our commodity trade?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, we are relying on market forces.

Mr. Horner: A supplementary question, Mr. Speaker. Can one assume that our dollar dropping below the U.S. dollar means that Canadians and the world have less confidence in Canada's economy, even though we are able to balance our energy needs?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, that is not the conclusion I take. I would suggest to the hon. gentleman that the reason our dollar is dropping below the United States dollar is because of our current account deficit. It is because the Canadian economy is strong enough to attract more imports than the stagnant economies of our major customers are able to attract our exports.

PERPETUAL BONDS—GOVERNMENT ACTION TO ALTER LOW INTEREST RATE

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is also for the Minister of Finance and concerns another example of the poor economics practiced by governments of the past and the present. My question arises from representations made to me by holders of Canada perpetual bonds of the 1930's bearing interest at 3 per cent and the near worthlessness of these bonds at the present time. What does the minister and his department intend to do to relieve the penurious conditions of bondholders resulting from the lack of a fair economic revenue from these bonds?

Oral Questions

Hon. John N. Turner (Minister of Finance): Mr. Speaker, virtually every member of parliament has written to me about these bonds, and I have received a good deal of correspondence from across the country. We had a meeting about this 16 or 17 months ago, including the hon. member for Nanaimo-Cowichan-The Islands, the hon. member for Don Valley and other hon. members on our side of the House. There are two difficulties. Firstly, a good percentage of these bonds are in bearer form. The second difficulty is how to find an equitable solution as between those who have already redeemed their bonds at 3 per cent interest and those who might redeem their bonds at a marketable rate of interest. I have not yet been able to find a solution to those two problems.

Mr. Alkenbrack: A supplementary question, Mr. Speaker. Why could not these bonds be recalled? The last bond issue which paid 9¾ per cent was a successful issue and well subscribed. In light of this fact, the minister is lending several millions of this money to Cuba through the Canadian International Development Agency at 3 per cent, so how does he justify the economics of taxing Canadians through making them pay high interest rates and then giving the money away to foreign countries?

Mr. Turner (Ottawa-Carleton): There are two answers to that, Mr. Speaker. The difference between the perpetual bonds and the Canada savings bonds is that the latter are immediately redeemable. The second answer is that Cuba is not receiving that interest rate.

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FISHERIES

SMELT FISHERMEN IN NEW BRUNSWICK—REQUEST FOR AID—POSSIBLE USE OF SMELTS IN EXTERNAL AID PROGRAM

Mr. Leonard C. Jones (Moncton): Mr. Speaker, my question is directed to the Minister of State (Fisheries). What action has the minister taken to relieve the plight of the smelt fishermen in New Brunswick?

Hon. Romeo LeBlanc (Minister of State (Fisheries)): Mr. Speaker, I would underline that the problem is due to difficulties in marketing. A lot of last season's inventory was still left when this season commenced. We are now trying to get agreement between the Quebec and New Brunswick fishermen to limit the fishery and not stock more inventory which we are finding difficulty in liquidating.

I might say that I was hoping to get a question on this, because yesterday I was informed that there were some 250 pounds of smelt delivered for the attention of members of parliament. In the interest of conservation I asked that they be frozen immediately, and they were. I would be quite willing to receive suggestions regarding their distribution. I have suggested to the parliamentary restaurant that perhaps we could give all members of parliament a chance to taste New Brunswick smelt and to see how good they are.

Mr. Jones: Mr. Speaker, may I address another question to the minister? In addition to contacting the parliamentary restaurant and the cafeteria so that all members of parliament can realize how delightful is this delicacy and so the commodity can be sold at a fair and reasonable