

Oral Questions

ed to the United States Administration. As to whether the Senate will proceed, it is difficult for us to negotiate directly with the U.S. Senate, obviously.

As to the steps taken, while not prejudging whether the Senate will or will not ratify in the coming weeks, the fact is that we have made it very clear to the United States that no longer can we hold our fishermen back and see the level of the American catch increase, to our disadvantage. We had hoped that the treaty would be ratified by this time and that both sides would practice good conservation. We cannot hold our fishermen in a position that penalizes them in relation to their American counterparts.

Mr. McGrath: Madam Speaker, perhaps I could put a question to the Secretary of State of External Affairs. Last week he gave the House an undertaking that he would take this matter up with Secretary of State Muskie. He has obviously already done that. Can he report to the House on the outcome of his meeting with Secretary Muskie? May I also say to the minister, by way of a question, that the Americans are always talking about fraternity and friendship toward us. Did the minister tell his U.S. counterparts that this would be a tangible way for the U.S. Congress and the U.S. people to express their friendship and fraternity with Canada, by getting on with ratification of the treaty we negotiated in good faith?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, Mr. Muskie is no longer in the American House, so he is not able to speak on behalf of Congress. He now speaks for and deals with the administration. I made the strongest possible representations to him during our meeting.

The prospects for the treaty at the moment in the U.S. Senate are uncertain. The U.S. government, however, is certainly under no illusion about how high a priority we place on this treaty. My colleague and I, and other ministers, are formulating plans for dealing with the present situation.

* * *

THE CANADIAN ECONOMY**RIISING INTEREST RATES—REQUEST FOR COMMITTEE INVESTIGATION**

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I want to follow the line of questioning put to the right hon. Prime Minister by the hon. member for York-Peel. Is the Prime Minister prepared to confirm that when his government took office on March 5, the interest rates on treasury bills in Canada stood at 13.68 per cent, and that the comparable U.S. rates stood at 16 per cent, some 2.5 per cent higher than ours? Is he prepared to confirm that?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as you know, statistical questions are not in order. I would be happy to attempt to answer this one by asking for time and inquiring into it. I will have the answer sent directly to the hon. member by Statistics Canada.

Mr. Baker (Nepean-Carleton): Madam Speaker, I appreciate the answer. I think the Prime Minister will probably find that this will be confirmed, but I was asking for his confirmation as head of the government. The interest rate on treasury bills in Canada presently stands at 13.09 per cent, while the comparable U.S. rate is 9 per cent, a considerable amount lower than Canada, and Canada seems to be at some disadvantage.

Given that situation would the Prime Minister consider speaking to the Minister of Finance, if necessary, or take some steps himself to arrange for the convening of the standing committee and arrange for the appearance before it of the Minister of Finance and the governor of the Bank of Canada, so that these matters can be cleared up?

I ask that question because this is a matter that the government was considering. Would he give it favourable consideration now, and indicate to the House the attitude of the government having those two people appear, so that we can continue the study of the distressing interest rates situation and the differential between Canada and the United States?

Mr. Trudeau: Madam Speaker, as far as the facts are concerned, I repeat that I do not know, but I take the hon. member's word if he says that figures in the United States and Canada stand as they do, then I assume they do. If he wants to argue the point of why one country should have a higher rate than the other, I suppose it can be tied to the state of the economy in both countries.

It should be clear to the hon. member that the United States have entered a serious recession, which Canada has not yet entered. We are concerned, of course, with the effect it might have on us. This is a matter of economic argument and discussion. In the last two days, the party opposite was free to ask any minister to appear in the House and to ask them questions. It is my understanding that they have not invited the Minister of Finance to discuss these very questions. I will convey to him the concern of the hon. member, but I am sure his answer will be, "I was there; I was available. Why did they not ask me questions, rather than wait for the day that I am not there?"

Mr. Bob Rae (Broadview-Greenwood): Madam Speaker, I have a supplementary to those questions to the Prime Minister. Since he does not know how our interest rates have changed over time and how the American interest rates have changed, I should like to ask him a direct question.

Governor Bouey said yesterday that it was the policy—I see him pointing somewhere else to another brilliant economist: I am quite satisfied to ask him, and I am sure he is competent to answer this question. The Governor of the Bank of Canada said yesterday that it was now the policy of the Bank of Canada to stop Canadian interest rates from falling and to keep them up at an artificial level.

I should like to ask the Prime Minister if that is the policy of his government at a time when unemployment figures announced on Tuesday showed a rise, and when we have had 49 months of unemployment at over 7 per cent.