

Inquiries of the Ministry

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. Will the Minister of Finance look at the situation and discuss with the chartered banks whether money is still being advanced to big industry in order to assist it while small business is being cut off because of the tight money supply in Canada?

Mr. Benson: Mr. Speaker, I am not sure that the allegation made by the hon. member is correct. However, I should point out in fairness to the banking system that lines of credit are granted in advance for a period of time and it is very difficult for the banking system to contract these lines of credit unilaterally and immediately. Therefore it takes some time for the tightness in the money supply to work through the system and to apply exactly to those people to whom one wants it to apply.

SWAP DEPOSITS—EFFECT OF REQUEST OF GOVERNOR OF BANK OF CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, is the Minister of Finance in a position to say whether his hopes and those of the Governor of the Bank of Canada have been realized in regard to the restriction placed upon the banks in respect of swap arrangements? Has it had the effect of adequately controlling the outflow of capital from Canada?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I shall not know the results of the request of the Governor of the Bank of Canada until the end of the week when statistics are available. But I am sure the banks and the Governor of the Bank of Canada are anxious to co-operate with the government and indeed all members of the house in doing the best they can to fight inflation in this country and guard our exchange reserves.

NATIONAL DEFENCE

REDUCTION OF FORCES IN EUROPE—INQUIRY AS TO CONCLUSION OF CONSULTATIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question may be directed to either the Prime Minister or the Minister of National Defence. On April 3 the Prime Minister spoke of a planned and phased reduction of the size of Canadian forces in Europe in consultation with our allies. Have the consultations been concluded and can the house expect to receive a detailed statement of what these reductions are to be?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, there have been a few lengthy exchanges of notes between SACEUR and the Department of National Defence. One must remember that a new SACEUR was appointed to take over as of July 1 and therefore there has been some impediment to the conclusion of our negotiations. But it can be expected that these negotiations will be accelerated in the near future.

GAGETOWN, N.B.—EXERCISE ALLEGEDLY REFLECTING ON LABOUR

Mr. J. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of National Defence. In view of the fact that the Canadian forces base at Gagetown, New Brunswick, is reported to have had recently an exercise in which a supposed labour leader led a supposed insurrection in Canada, and in view of the fact that Donald MacDonald, president of the Canadian Labour Congress, has rightly protested to the minister about this insult to two million Canadian trade unionists, would the minister investigate this matter and report to the house at the earliest possible date?

Hon. Léo Cadieux (Minister of National Defence): Mr. Speaker, I have already investigated this problem. In order to do justice to the question I have a rather lengthy answer. Perhaps it could be printed in *Hansard*; otherwise, I could not read it.

Mr. Speaker: Order, please. The difficulty is that the statement cannot be made at this time unless we revert to motions.

Some hon. Members: Agreed.

Mr. Speaker: In fact, there are many members who are anxious to ask questions. Does the minister have leave to revert to motions for the purpose of making a statement?

Some hon. Members: No.

Mr. Speaker: There is not unanimous agreement. Perhaps the minister might communicate with the hon. member later.

Mr. Broadbent: In light of the serious nature of the question and the insult felt by many Canadians, can the minister make a very brief statement at this time?

Mr. Cadieux (Labelle): I could speak generally on the report I had. First of all, I