

Inquiries of the Ministry

[English]

EXTERNAL AFFAIRS

MIDDLE EAST—REACTION OF IRAQ TO
CANADIAN GOVERNMENT PROTEST

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the very perilous condition of affairs in the Middle East and the serious potential threat to world peace, action is needed. The minister stated that a message was being submitted by the Canadian ambassador to the government of Iraq protesting against the terrible series of virtual atrocities which occurred in that country recently. What was the reaction of the government of Iraq and what generally is the government of Canada doing to bring about conditions whereby the serious situation in the Middle East will be to some extent diminished?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have not yet had a response from the government of Iraq to the representations we made yesterday. On the second part of the question, our main effort has been directed to supporting the efforts of Ambassador Jarring who is acting for the Secretary General of the United Nations to bring about a settlement of the Arab-Israeli dispute.

Mr. Diefenbaker: I have a supplementary question for the Prime Minister. I think it only fair that he should have the opportunity of explaining whether or not there is any basis in fact to a report in *The Christian Science Monitor* for Thursday, January 9, to the effect that the Prime Minister advised Foreign Minister Riyad of Egypt that "Israel is clearly an expansionist country" and that the western world must wake up to this before the Middle East blows up again.

Mr. Speaker: Order, please. The right hon. gentleman knows the question should be asked directly rather than by way of confirmation of an article.

Mr. Diefenbaker: Knowing now what the article and John Cooley's report says, I am sure the Prime Minister would welcome the earliest opportunity to deny such a preposterous conclusion.

Right Hon. P.-E. Trudeau (Prime Minister): Mr. Speaker, I think the right hon. gentleman is doing exactly that, denying such a preposterous conclusion. I do not know where the

blame should lie, whether it should be with *The Christian Science Monitor*, with its reporter or with second or third hand information, but I never said anything closely resembling that. My thoughts are not at all along those lines.

Some hon. Members: Hear, hear.

FINANCE

POSSIBLE INTRODUCTION OF CAPITAL
GAINS TAX

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct this question to the Minister of Finance. In view of persistent rumours today in the financial markets that the government is contemplating the introduction of a capital gains tax in the near future, I am sure the minister would like the opportunity of denying what I hope is a preposterous rumour.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, my hon. friend, as a former creator of rumours, knows that no one should pay any attention to them.

Some hon. Members: Hear, hear.

Mr. Hees: I am very glad to know that this rumour is not nearly as well founded as those I used to create.

ESTATE TAX ACT

INQUIRY RESPECTING BASIC EXEMPTION
AND RATES

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I too should like to direct a question to the Minister of Finance. Has he now increased the basic exemption under the estate tax from \$20,000 to \$50,000 and have the rates been modified since he disclosed the change in his budget?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

ADMINISTRATION OF JUSTICE

TORONTO—HOLDING OF INDIAN GIRL IN JAIL

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct my question to the Minister of Indian Affairs and Northern Development. On January 24 I was promised an answer to a question I had asked about an Indian girl who was incarcerated in the Don