

of January and February combined amounted to only 11,500 gallons and that in March exports had climbed to 5,332,000 gallons compared with 72,000 for the same month in 1972? In view of the fact that gasoline is being drained out of this country to meet the shortage in the United States, is the minister now prepared to extend the export controls which he imposed last February to cover gasoline and other refined products?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): It seems to me the critical question is whether there is short supply in Canada. My information from the board is that at the moment there is not, although these contracts which are made from day to day obviously have to be watched very closely. I can assure the hon. gentleman that if there is any evidence of short supply export control will be extended, but at the moment my advice from the board is that there is not.

Mr. Douglas: I am not sure from where the minister is getting his information. Is he aware of the fact that some of the independent dealers have already closed their doors and that others have been informed they cannot be guaranteed supplies of gasoline beyond the end of this month? In view of these facts I ask the minister whether, over the weekend, he will get in touch with the National Energy Board and then make a statement to the House on Monday as to what he proposes to do to meet this very serious situation as it affects not only the independent dealers but also the customers who deal with them?

Mr. Macdonald (Rosedale): I shall be glad to check and determine whether the hon. gentleman's assertions are facts.

Mr. Douglas: May I ask the minister, if he is going to make a statement on Monday, whether he will secure from the National Energy Board the figure for exports of gasoline in April and an estimate of what they will be for May? All the information available seems to indicate that the astounding increase for the month of March has been escalated even further during the months of April and May.

Mr. Macdonald (Rosedale): I shall be glad to see what the facts are.

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[Translation]

INDIAN AFFAIRS

POSSIBLE CLOSING OF SAINT-MARC SCHOOL— DISCUSSION WITH BAND COUNCILS— REPRESENTATIONS TO MINISTER

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the hon. Minister of Indian Affairs and Northern Development.

There have been reports in Abitibi of closing down the Indian School at Saint-Marc. Can the minister tell us whether the Indian band councils served by that school were consulted before this decision was taken or whether they will be consulted if no final decision has as yet been taken as to the closing of the institution?

Oral Questions

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am not aware of the facts in this case but I shall make inquiries. However, I can assure the hon. member that before closing down that school or of any institution coming under the jurisdiction of my department, sometimes motivated by lack of pupils, we invariably inform the communities involved, and this will be done in the present case.

● (1120)

Mr. Laprise: Mr. Speaker, I have a supplementary.

Can the minister tell us whether he has received briefs or other communications calling for continuing the institution?

Mr. Chrétien: Mr. Speaker, I shall inquire and report to the hon. member.

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[English]

FINANCE

POSSIBILITY OF FURTHER INCREASE IN PRIME BANK INTEREST RATE—CONSIDERATION OF INTEREST EQUALIZATION TAX

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Acting Prime Minister in the absence of the Minister of Finance. Given the fact that American banks have announced another increase in their prime interest rate, and given the fact that the explanation for the rise in interest rates in Canada has been the differential between the rates of the two countries, is it reasonable to expect that the prime bank rate in Canada will be raised again in the near future?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is contrary to my custom to engage in speculation of this kind.

Mr. Gillies: Is the government giving any thought to an alternative way of dealing with this problem rather than constantly raising domestic interest rates in a period when there is some question whether this is an effective way to handle the domestic economy?

Mr. Sharp: Mr. Speaker, the hon. gentleman is asking me to engage in a debate on the relation between interest rates in Canada and the United States, and I really do not intend to do so.

Mr. Gillies: May I ask very specifically whether the government is giving any thought whatever to introducing a domestic interest equalization tax so we can slow down the outflow of funds from Canada because of the differential in interest rates on the short end of the market without following a policy that is causing all Canadians to pay more for mortgages, consumer credit and things of that sort?

Mr. Sharp: The answer is no, Mr. Speaker. An interest equalization tax was once imposed by the United States. My recollection is that it did not prove to be very effective and eventually came under very strong attack.