

*Inquiries of the Ministry*

**Mr. Speaker:** Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

**Mr. Dubé:** Mr. Speaker, perhaps I can reply briefly that next week the right hon. member will find out—

**Mr. Speaker:** Order! May we have order? The Chair has recognized the hon. member for Nanaimo-Cowichan-The Islands.

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**FINANCE****STEPS TO REDUCE INTEREST RATES IN LIGHT OF LEVEL OF CANADIAN DOLLAR**

**Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands):** Mr. Speaker, may I direct a question to the Minister of Finance. In view of the fact that the value of the Canadian dollar in relation to the American dollar is at the highest figure since the Canadian dollar was unpegged, and in view of the fact that analysis shows that this is largely due to the fact that interest rates in Canada are higher than in the United States, is the minister, with the governor of the Bank of Canada, taking any steps to reduce interest rates in Canada to bring them in line with those in the United States so that we will not have this disequilibrium which is having such a harmful effect on manufacturing, particularly on lumbering in British Columbia?

**Hon. John N. Turner (Minister of Finance):** Mr. Speaker, there are a number of other factors operating on the value of the Canadian dollar as well. If any steps are to be taken they will be announced here in due course.

**Mr. Douglas:** In view of the fact that analysis shows that Canadians, particularly the provinces, are borrowing in the United States because of lower interest rates there and short-term capital is coming into Canada because of high interest rates here, and while the process of watching interest rates, as the minister said a few days ago he was doing, may be interesting, may I ask him when he proposes to act on interest rates?

**Mr. Speaker:** The hon. member for Red Deer.

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**EXTERNAL AFFAIRS****RESPONSE OF GOVERNMENT TO ISSUANCE OF PERMIT BY UNITED STATES FOR CONSTRUCTION OF TRANS-ALASKA PIPELINE**

**Mr. R. N. Thompson (Red Deer):** Mr. Speaker, in view of the fact that neither the Prime Minister nor the Minister of Energy, Mines and Resources is here, may I direct my question to the Acting Prime Minister. As the United States Secretary of the Interior, Rogers Morton, has today issued a permit authorizing construction of the trans-Alaska pipeline, would the Acting Prime Minister please inform the House what response the government of Canada has made to this tragic decision which threatens the entire environment of the Pacific west coast?

[Mr. Diefenbaker.]

**Hon. Arthur Laing (Acting Prime Minister):** Mr. Speaker, the granting of the permit by Mr. Morton was not unanticipated here nor in the United States as the matter has been before him for some time. In the meantime we have had discussions through the Minister of Energy, Mines and Resources—

**Mr. Stanfield:** That great diplomat.

**Mr. Laing:** —with Mr. Morton and with the government of the United States and they have been very satisfactory.

**An hon. Member:** A clean float.

**Mr. Laing:** The minister put before Mr. Morton the possibility of reconsideration of a pipeline through the Mackenzie Valley. He indicated to him that in a very few months we would be in a position to delineate clearly the requirements for ecology. That has been taken into account by the government of the United States. It may be some time yet before construction can commence on the pipeline and it is our thought that there will be further discussions with the United States government.

• (1440)

**Mr. Thompson:** A supplementary question, Mr. Speaker. The minister has said that the Minister of Energy, Mines and Resources placed the proposition before the Secretary of the Interior of the United States. However, we do not know what the policy of the government is or what is to happen. I have tried to learn from answers to questions whether anything is being done to speed up the pipeline feasibility, in view of what the Prime Minister said in Edmonton about the Mackenzie highway being paid for with the rent from such right of way.

**Mr. Speaker:** Order, please.

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**INDUSTRY****MICHELIN TIRE COMPANY—POSSIBLE IMPOSITION OF ADDITIONAL DUTY BY UNITED STATES ON CERTAIN TIRES—GOVERNMENT ACTION**

**Mr. Lloyd R. Crouse (South Shore):** Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and Commerce. It is my understanding that the American government is considering imposing extra custom duties against Michelin X radial steel belted tires being manufactured in Nova Scotia. Has the minister any knowledge of this action and what difference will this make, in Canada's view, in the Domestic International Sales Corporation program? In other words, what action does the government contemplate taking?

**Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce):** Mr. Speaker, I understand that a notice of countervailing duty is expected to be issued by the United States government. Thirty days would be given under this notice for parties to make representations. The United States government has already received our views on the Michelin case, and I am quite sure that these views will be repeated during that period of time.