

Oral Questions

EXTERNAL AFFAIRS

POSSIBLE INTERNATIONAL CONFERENCE ON
INFLATION—CANADIAN POSITION

Mr. Chas. L. Caccia (Davenport): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of the recent statement by the OECD in Paris that the nature of today's inflation requires an approach at the international level so as to deal effectively with inflation, is the government of Canada considering taking the lead in respect of convening a conference of the affected nations so as to deal with this urgent matter?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. gentleman for the suggestion. My answer is that we are considering such an initiative. I might add that the Minister of Finance with whom I have discussed this subject will be at the forthcoming meeting of the Group of 20 at Washington on July 30-31. Inflation is a problem which is not confined to any one country; it is world wide and is contagious.

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FINANCE

SUGGESTED CHANGE IN MONETARY POLICY AND
ASSURANCE UNITED STATES MONETARY POLICY NOT
FOLLOWED—GOVERNMENT POSITION

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. In view of fact that the Minister of Finance has said many times in the House of Commons that it takes a while for changes in economic policy to work through the economy, and in view of the fact that in May retail sales were off by 3 per cent, housing starts on a year to year basis were off by 5 per cent and that manufacturing orders had declined since January, is the Department of Finance as well as the Bank of Canada considering reversing the present monetary policy and the high interest rates which follow therefrom?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the Department of Finance and the Governor of the Bank of Canada are following a monetary policy sufficiently expansionary to accommodate the strong rate of growth in the economy. When the hon. gentleman is quoting those figures he ought to remind the House he is quoting them against a large first quarter basis.

Mr. Gillies: Mr. Speaker, I have a supplementary for the Minister of Finance. As I prefaced my previous question I think we must all watch the indicators. The question I raised is whether the Department of Finance and the Governor of the Bank of Canada are concerned enough with these indicators to believe the time has now come for a change in the present monetary policy?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think the hon. gentleman will be satisfied when I tell him that the monetary policy of the Department of Finance and the Governor of the Bank of Canada will continue to accommodate the expansion of the economy. I also wish to assure him that the current high rate of expansion over

[Mr. Trudeau.]

the last six months has been at a compounded rate of about 12 per cent and will plane down and re-enter the long term growth potential of the country.

Mr. Speaker: Order, please. The hon. member for Don Valley may ask a supplementary after which the Chair will recognize the hon. member for Comox-Alberni.

Mr. Gillies: Again my question is addressed to the Minister of Finance, Mr. Speaker. Can the minister assure the House we will not follow a monetary policy in this country determined by the monetary policy in the United States, that is that we will not have an increase in our prime rate because there has been an increase in the prime rate in the United States.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I can give the hon. gentleman the assurance that our monetary policy is independently determined.

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ENVIRONMENTAL AFFAIRS

SUGGESTED EXTENSION OF POLLUTION CONTROL
BOUNDARIES—GOVERNMENT POSITION

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I should like to address a question to the Prime Minister. It really arises today because of certain earlier questions. I should like to ask him whether he can advise the House when it is the intention of the government to introduce some legislation to extend our pollution control boundaries on the Atlantic and Pacific to at least 100 miles seaward in light of suggestions which I understand have been made along this line by a member of the government at a recent conference in Vancouver.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no intention at this time of the government contemplating such legislation, but we have taken various measures, particularly international in character, to ensure that there would be as much control as possible of pollution off our coasts.

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GRAIN

REQUEST FOR SUSPENSION OF COURT ACTION BY WHEAT
BOARD TO RECOVER CASH ADVANCES—GOVERNMENT
POSITION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Justice who speaks for the Canadian Wheat Board. Having in mind the financial difficulty experienced by many northern farmers last winter and fall, has the minister consulted with the Canadian Wheat Board with regard to halting the hundreds of actions taken by the Wheat Board involving thousands of dollars in costs and bailiff's fees, and will the minister request that the Wheat Board suspend any further action against these people until at least this fall?

Hon. Otto E. Lang (Minister of Justice): Mr. Speaker, if the hon. member is referring to cases of failure on the