

Oral Questions

two men were covered by the Paris Agreement when engaged in this function? If not, what will this oversight mean in respect of their personal safety, and why were they in the area if they were not covered?

Mr. Speaker: Order, please. I have the impression that the question was asked earlier. If I am wrong perhaps the minister would like to reply. If he does not reply the Chair will recognize the hon. member for St. Catharines.

VIET NAM—POSSIBLE REMOVAL OF TROOPS ON "HMCS KOOTENAY"

Mr. Trevor Morgan (St. Catharines): Mr. Speaker, my question is also directed to the Minister of National Defence. Having regard to the fact that the Canadian naval vessel *Kootenay* is at the moment anchored off Viet Nam, what steps is the minister taking to remove the troops from Viet Nam so an incident such as this will not occur again?

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the *Kootenay* is in Singapore and is available if required. Our regular evacuation procedures are in place if required. We are planning tentatively to return all our peacekeeping forces at the end of July.

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FINANCE

PRIME INTEREST RATES—REQUEST FOR STATEMENT BY MINISTER ON GOVERNMENT ACTION TO CONTROL

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Finance. In light of the increase in the prime interest rates by the major banks in the United States and rumours of a further increase in the prime rates here in Canada, would the minister consider making a statement tomorrow or on Thursday on the full range of interest rates here in Canada, what the government proposes to do about them, and also how the government proposes to take any further action to that it took on Friday last?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, the hon. gentleman is really asking me to make a statement on future interest and exchange policy.

Mr. Lambert (Edmonton West): No, that of right now.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think any Minister of Finance would be tempted into that course at his peril.

Mr. Lambert (Edmonton West): Mr. Speaker, the difficulty of hon. members in the House arises from the fact that the government seems to have aimlessly drifted into the present position, and hon. members would like to know what the government actually is doing about interest rates.

[Mr. McKinnon.]

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think we have had some very thorough economic debates in this House since the beginning of the year.

LOANS TO FARMERS, FISHERMEN AND SMALL BUSINESSES—REQUEST THAT MINISTER DIRECT CHARTERED BANKS TO ALLOCATE MORE FUNDS TO ATLANTIC PROVINCES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in view of the fact that the press release issued by the minister on Friday indicates that he agrees that lending institutions are not providing funds in the volume required to meet current demands of farmers, fishermen and small businessmen, and in view of the fact that the interest rate has now increased, is the minister going to adopt specific guidelines to be followed by the banks, particularly in the Atlantic provinces, to direct more moneys into loans going into that part of the country, which so far has received an almost negligible amount?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, these interest rates under the guaranteed loan programs were not, at the rates then in force, attracting funds into these programs. The hon. gentleman will notice that the direct lending programs of the government were not effected. As to the specific substance of the question, the Governor of the Bank of Canada and I have made it clear to the chartered banks that we wish them to exercise priority allocations for farmers, fishermen and small businessmen in all parts of the country, and businessmen generally in slow-growth areas.

An hon. Member: What was their response?

LOAN TO ALGERIA—REQUEST THAT FLOATING INTEREST RATE FORMULA APPLY

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is also directed to the Minister of Finance. In view of the press release issued by the Minister of Finance, just referred to by my colleague, in which he announced a floating rate formula for farm, fishing and small business loans at an initial interest rate hike of three-quarters of one per cent, bringing interest rates to those people to 7¾ per cent, would the minister inform the House of a similar formula to be implemented and to apply to the \$100 million line of credit proposed by Canada to Algeria to help their businessmen, which facility had an instant effective rate of less than 7 per cent?

Hon. John N. Turner (Minister of Finance): No, Sir.

REQUEST THAT THERE BE NO FURTHER INCREASE IN INTEREST RATES ON MORTGAGES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my supplementary question is directed to the Minister of Finance. Without making any commitment about the government's future policy on interest rates in general, will the minister assure the House that whatever happens to interest rates in general the government will take steps