

profits, may I ask the minister if it is not correct that the only restriction is that they should keep the spread between deposit interest rates and lending interest rates at a constant ratio, and that there is no restriction in the agreement with respect to bank profits?

Mr. Speaker: The hon. member's supplementary question is argumentative.

INFLATION—IMPOSITION OF MANDATORY PRICE CONTROLS ON INDUSTRIES

Hon. D. S. Harkness (Calgary Centre): My question is addressed to the Minister of Industry, Trade and Commerce. Are the officials of his department working on plans for the imposition of mandatory price controls on the industries of this country?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The answer given by the Prime Minister applied to the whole government. With reference to what I said in Montreal, this is a clear case of amplification without justification.

Some hon. Members: Oh, oh!

Mr. Pepin: I was referring to the discussion which had gone on in Winnipeg. It may be that by a slip of the tongue I said "Ottawa" instead of Winnipeg, but it is amazing that this was the only reporter who placed that interpretation on what I said.

[Translation]

FINANCE

RETURN TO FIXED DOLLAR EXCHANGE RATE

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is for the Minister of Finance.

Have the banks brought pressure to bear on the government for Canada's return to a fixed exchange rate as soon as possible?

[English]

Hon. E. J. Benson (Minister of Finance): There was a question raised yesterday as to whether the Bank for International Settlements had brought pressure to bear on Canada with regard to a fixed exchange rate. I was in contact with the governor of the Bank of Canada whose representative was at those meetings, and such is not the case.

THE CANADIAN ECONOMY

EFFECT OF ANTICIPATED INFLATIONARY PRESSURE ON INTEREST RATES

Hon. J. A. MacLean (Malpeque): Since the government professes to believe that the

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action it has taken will curtail inflation, what steps is the government taking to eliminate at least that portion of increased interest rates which is caused by anticipated inflationary pressure generally?

Hon. E. J. Benson (Minister of Finance): I believe interest rates have gone down. As a matter of fact, one of the chartered banks announced a reduction in its prime rate yesterday. There are also indications that our anti-inflation policy is having some effect. Figures published as of now will show a decline in the cost of living in the last month.

INFLATION—INDEPENDENCE OF PRICES AND INCOMES COMMISSION—GOVERNMENT ACTION TO ROLL BACK PRICES

Hon. Marcel Lambert (Edmonton West): My question is addressed to the Minister of Finance. It refers to the minister's statement yesterday that the Prices and Incomes Commission is independent of the government. Can the minister reconcile that statement with the claims of his colleague that action by the government has resulted in the Prices and Incomes Commission effecting some price roll-backs in certain products and services?

Mr. Speaker: I cannot accept the question because it is asked in the form of an argument and I do not believe it is acceptable from the standpoint of procedure.

Mr. Lambert (Edmonton West): May I put it this way, then? Is it possible to ask the minister to reconcile a position he took with another fact?

Mr. Speaker: I suggest to the hon. member and to the minister that when a minister is asked to reconcile one statement with another it becomes a debate or an argument.

HOUSING

INCREASE IN PUBLIC HOUSING RENTS AT HAY RIVER

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development arising from a question I asked in the House on May 27 which was responded to at the time by the Parliamentary Secretary in the absence of the minister. On that occasion I asked whether the minister would investigate what appeared to be a scandalous situation at Hay River in the Northwest Territories resulting from an increase in rent charged old aged pensioners in public housing