Inquiries of the Ministry

[*English*]

Mr. David Lewis (York South): Mr. Speaker, I have a supplementary question for the Minister of Finance along the line of the question asked by the Leader of the Opposition. In view of the fact that the minister in his reply indicated that unless the commercial bank rate is raised the effect on the outflow of funds is likely to be fairly small and, indeed, negligible, is it not more appropriate for the government and the governor of the Bank of Canada to take other steps to stop the outflow of funds by means of limited, discretionary foreign exchange controls rather than by starting the interest rates going up all over again?

Mr. Speaker: Order, please. It seems to me the question is argumentative. It gives that appearance, but in view of its importance perhaps the minister might be allowed to reply.

Mr. Benson: We are not contemplating foreign exchange controls at the present time. I should say that our reserves are not being seriously depleted but a continuation of what was going on, as indicated in the swap deposits figures published by the Bank of Canada last week, would indicate that there is a problem which should be faced, and we have faced it.

Mr. Lewis: Mr. Speaker, may I ask the minister what value there is to the people of Canada in starting a further upward hump in the interest rate if the effect on the outflow is likely to be negligible?

Mr. Speaker: Order, please. I think this supplementary is argumentative.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to direct a question to the Minister of Finance.

In view of the fact that the governor of the Bank of Canada has decided to raise the discount rate and also that according to his statement the minister was not consulted in that regard, is the latter ready to tell us if he is willing to urge the Canadian chartered banks not to raise their interest rates?

[*English*]

Mr. Benson: Mr. Speaker, first of all I said I was consulted, not that I was not consulted, by the governor of the Bank of Canada. I previously indicated I would hope the chartered banks would not increase their prime rates.

[*Translation*]

Mr. Fortin: Mr. Speaker, I should like to address a supplementary question to the Minister of Finance.

I realize that the minister perhaps has not grasped my question. I was asking whether he intends to enter into discussions with the chartered banks to regulate the interest rates and prevent an increase.

Mr. Speaker: I suggest that the hon. member repeats a question that was asked a few moments ago.

Mr. Latulippe: Mr. Speaker, I also wish to ask a supplementary question.

Would the Minister of Finance tell the house whether foreign countries or this government should make decisions concerning the interest rate?

[*English*]

Mr. Max Saltsman (Waterloo): Mr. Speaker, I have a supplementary question for the Minister of Finance arising from this morning's report that bank loans are up by $221 million despite pressures from Ottawa. In light of the effect of the pressures from Ottawa, is the minister considering any additional steps to curtail the issuing of credit in Canada and to bring interest rates down?

Mr. Benson: I think the effect of the pressure from Ottawa is being and will be felt by the banks. The figures to which my hon. friend is referring are applicable, I believe, to a week or ten days ago, and this situation changes weekly.

Mr. Speaker: The hon. member for Waterloo on a final supplementary.

Mr. Saltsman: Thank you, Mr. Speaker. Can the minister assure the house that he is preparing emergency measures to make sure that the interest rate does settle down if the spiral continues?

Mr. Speaker: I think I would have to rule that the question is hypothetical.

OLD AGE SECURITY

POSITION OF SEPARATED MARRIED COUPLES

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address this question to the Minister of National Health and Welfare. It has to do with the plight of thousands of married couples qualifying for the old age pension who have been separated for years