

FINANCE

FORECAST SIZE OF GOVERNMENT DEFICIT

Miss Pat Carney (Vancouver Centre): Madam Speaker, in the absence of the Minister of Finance I direct my third question to the Prime Minister. Tomorrow the Conference Board of Canada will publish a forecast claiming that the Finance Minister is overstating his budget deficit by several billion dollars for 1983 and 1984, mainly because the projections for transfer payments seem too high. Transfer payments to persons will increase 14 per cent next year, although the two major programs, old age pensions and Family Allowances, are capped at 5 per cent.

Has the Government inflated the budget deficit, thereby putting pressure on interest rates, in order to provide the Liberals with an election slush fund for next year? If the Government can increase transfer payments in an election year, why can it not do so now when two million unemployed Canadians need the money?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is asking me to answer a question based on a publication of the Conference Board which is to come out tomorrow. I have not seen it, obviously; I have not had that privileged access. I would be happy to comment on it when it comes out, but I do see that the U.S. Conference Board announces today from New York, in a Canadian Press report, that an economic recovery is accelerating in Canada and it brings out several indices which show that that is the case.

Madam Speaker, in so far as creating jobs is concerned, I remind the Hon. Member that the Special Recovery Fund in the budget was divided into two parts. One was to have capital projects which would start immediately within six months, so-called shelved items or shelf items, which Departments could move forward and which would improve the Canadian infrastructure all across the land. We had some announcements yesterday of water bombers and, I believe, search and rescue facilities and Coast Guard ships. That creates jobs now. These jobs will start within six months, but the money will be spent now and it will be in the hands of workers and consumers to spend.

● (1420)

The other half of the Special Recovery Fund, the other \$2.4 billion, is in terms of improving the private sector. This will create jobs, but not immediately. They have cash flow problems and an over capacity right now. The budget is bringing in some \$2.4 billion worth of measures, substantially in the form of tax measures, which will permit the private sector to create jobs and to boost the economy.

That is the approach of the budget, to create jobs now through Government spending, and to create jobs in the middle term through private sector spending.

Oral Questions

ENERGY

SHUT-IN OIL PRODUCTION

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. As he knows, during April over 200,000 barrels per day of Canadian crude oil production is shut in. This shut-in problem has been in existence for months and months and is costing the Canadian economy hundreds of millions of dollars and thousands of jobs. Does he not agree that is absurd that Canadians should be losing this money and be denied the resulting jobs while we continue to import the equivalent amount of oil and to tax consumers to subsidize these imports? Would the Minister not agree that the problem must be solved, and will he tell the House when he will bring about the solution?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I am well aware of the problem and I have discussed it many times with my counterpart in Alberta. We have discussed solutions. Of course, we cannot ship Alberta oil everywhere in Canada at this time.

One solution is to permit the export of light crude abroad. The NEB has said that if it were to receive applications it would consider them favourably. In fact I read in the paper, and I knew about it, that there are shipments of oil products going to Japan at this time. It is something new that we permit the export of oil products to that part of the world. For years we did not permit the export of light crude. At this time, however, the NEB is not receiving many applications from producers because the price is very soft in the United States. There is no demand at this time. Anyone who believes in the market economy knows that when there is no demand there is a shut-in problem.

REQUEST THAT GOVERNMENT FACILITATE OIL EXPORTS

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the Minister knows full well that much more of the shut-in western crude could go to eastern Canada. Is he also aware that the reason the shut-in crude is not being sold offshore in the United States is because of the rigidity of Canadian prices, the rigidity of the export tax on crude oil, and National Energy Board red tape? He must realize that curing the shut-in problem will, in just two months, produce more benefits in terms of income and jobs to the Canadian economy than the entire Special Recovery Capital Projects Fund. If he wants to do something for the unemployed and for the terrible state of Canadian industry, looking after this problem would do more than all the flim-flam introduced in the budget.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the Hon. Member is speaking very loudly. I have had many discussions with Mr. Zaozirny, the Minister in Alberta. He knows, for example, that the question of price is very important for them, just as it is for us. I do not think that the Hon. Member would ask us to sell