

concerned, including municipal employees, Mr. Speaker, one has to look to the present government which has lifted the controls and allowed that result.

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#### FINANCE

##### SUGGESTION GOVERNMENT GRANT MUNICIPALITIES INTEREST FREE LOANS

**Mr. Gilles Caouette (Témiscamingue):** I have a supplementary, Mr. Speaker. In view of the fact that school boards and municipal authorities have to go on the money markets to borrow money at prohibitive interest rates in order to administer their budget, as it is also the case for provincial governments, is the Prime Minister prepared to advise his Minister of Finance to allow interest free loans to public bodies to ensure adequate management and to save the money of Canadian taxpayers, as it is done through the Islamic Bank to all the countries which are under the jurisdiction of this bank. Would the Prime Minister be prepared to do the same here in Canada?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, we would be prepared to consider this kind of interest-free loan to school boards as soon as the leader of the Social Credit can find enough citizens willing to provide loans without interest to the government, for example through saving bonds, without claiming the interest. This would give us a good fund and we would be quite prepared to re-lend without interest. So we are waiting for the leader of the Social Credit to take action.

**Mr. Caouette (Témiscamingue):** Mr. Speaker, since the Prime Minister is telling us how to proceed, I am ready to give a lecture if he is willing to attend. When would he be free to attend a lecture on Social Credit to understand at last that Canadians need interest-free loans as is done in other countries.

**Mr. Trudeau:** Mr. Speaker, I did not ask for a lecture. I said that when the government is issuing saving bonds, as it has just done, it is borrowing from the citizens at a rate of about 8½ per cent. If the hon. member could find us a number of purchasers who would be prepared to make interest-free loans, we would lend those funds to municipalities. I am not asking for a lecture but merely a list of individuals ready to make interest-free loans.

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[English]

#### ENERGY

##### URANIUM—REASON FOR FAILURE TO ADOPT TWO-PRICE SYSTEM OR MARKETING BOARD

**Mr. Ron Huntington (Capilano):** Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of repeated statements that the government was concerned with Canadian consumers and with keeping down the

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domestic cost of uranium, will the minister tell the House why the government did not go to the legal two price system for uranium, as was done with Canadian wheat? Will he tell the House why the government did not bring in an uranium marketing board with specific provisions to safeguard Canadian consumers and industries?

**Hon. Alastair Gillespie (Minister of Energy, Mines and Resources):** Mr. Speaker, if the hon. member will take a look at the record, he will realize that Canada took a number of actions. The first action was to make very strong representations to the United States when they imposed an embargo on Canadian uranium sold to that market which represented 70 per cent of world markets at that time. There is a whole series of Canadian positions which are on the record with respect to U.S. action.

● (1432)

The second action we took in Canada was to try to persuade the consuming countries of the world that it would be in their interest to join with the producers, and it was the producer-consumer arrangement which would attempt to stabilize the supply and demand price of this country, in much the same way perhaps as the international tin council is an association agreement of producer and consumer countries. We were not successful although we tried right up to the very last moment with a major initiative by the Secretary of State for External Affairs at the United Nations in New York.

As a result, we formed an agreement with the other producing nations, Australia, France, South Africa and ourselves, aimed at stabilizing the market. I believe that this arrangement was successful for the first year perhaps, or even the first year and a half of its existence, but with the OPEC price increase of 1973 and energy values generally escalating out of all proportion to previous experience, the real need for that arrangement ceased to exist. That is the record, Mr. Speaker, and those are the reasons Canada moved into this particular arrangement because the major market on which the Canadian industry has relied, the U.S. market, was closed as a result of an arbitrary decision by the United States.

**Mr. Gillies:** Not true.

##### URANIUM—REASON FOR FAILURE TO SUPPLY ONTARIO HYDRO WITH CHEAPER STOCKPILED MATERIAL

**Mr. Ron Huntington (Capilano):** Mr. Speaker, I thank the minister for his answer, although it hardly answers the two questions he was asked on the legal approach that the government might have taken. I will ask him this: As shipments will be made from the Canadian government's stockpile of uranium concentrates to Spanish electric utilities in 1978, will the minister tell the House why the Government of Canada has not offered to sell Ontario provincial utilities, uranium concentrates purchased at \$4.75 to \$6 a pound with Canadian taxpayers' dollars, I might add, rather than leaving them exposed to world prices? To be more precise, why should Ontario Hydro pay world cartel prices for uranium mined in