

### Oral Questions

I don't think that allowing the dollar to have some downward adjustment would do as much harm to our economy as our present high level of interest rates.

The Bank of Canada rate then was 14 per cent; today it is 13.95 per cent or five one-hundredths lower; it has been up to 16.2 per cent under the minister's administration. Would the minister tell the House if it is the government's policy to carry out the minister's words, to have some more downward adjustment on the dollar, or does he consider that it would do more harm than the present high interest rates and that, therefore, interest rates should go higher? What is his choice now that he is in a position of responsibility and not just jawboning to the public?

● (1420)

**Hon. Herb Gray (Minister of Industry, Trade and Commerce):** Madam Speaker, I am afraid the hon. member has overlooked a number of constructive achievements since the government changed. For example, he has overlooked the \$3 billion industrial offset program connected with the new fighter aircraft contract, something which created some 6,000 jobs directly and some 20,000 to 24,000 jobs indirectly over the life of the contract. He has overlooked the implementation of the electronics development program. One of the grants from that program is creating 1,000 jobs in a company based in the Ottawa area. He has overlooked the special remission program with respect to the front-end loader industry, something that will create 1,200 jobs.

I could go on and give further examples, but I think the hon. member should concentrate on these positive achievements and not simply try to raise questions, as he has, that do not deal in a constructive way with the efforts we are making to strengthen the Canadian economy and provide more jobs for Canadian workers.

**Some hon. Members:** Hear, hear!

**Mr. Crosbie:** Madam Speaker, my supplementary question is for the "Terror of FIRA". I would like the minister to answer my question. Last fall he said that allowing the dollar to have some downward adjustment would not do as much harm to our economy as the present high level of interest rates. The level of interest rates right now is as high as, or higher than, when he made the statement last fall, but our international reserves are at their lowest level since February of 1970, down \$210 million in November. Is the minister's policy now, or are his instructions to his colleague, the silent Minister of Finance, that the dollar should be allowed further downward adjustment, or is his advice that the economy would suffer less damage if interest rates go up? What is it to be? What is his advice now that he is in a position to decide—the "Terror of FIRA"?

**Mr. Gray:** Madam Speaker, if the hon. member was really serious, especially about being worried about the silence of the Minister of Finance, he would ask him that question since it is he who speaks for the government in this important area of policy.

**Some hon. Members:** Oh, oh!

### ENERGY

#### TAR SANDS PROJECTS—INQUIRY RESPECTING PLANS TO BENEFIT NATIVE PEOPLE

**Mr. Ian Waddell (Vancouver-Kingsway):** Madam Speaker, my question is for the Minister of Energy, Mines and Resources. It concerns native matters and energy development. I think the minister is aware that there are many native people in the midst of the development of the tar sands. I have before me a letter from Mr. Eric Shirt, who is the treasurer of the Indian Association of Alberta. The letter is to Premier Loughheed and is dated June 25, 1980. The premier never responded to that letter. I will not go into the letter in great detail, but it is a litany of the fact that the native people in Alberta have not benefited from the economic boom there.

My question to the minister is this: What plans, if any, does the Government of Canada have with respect to dealing with the tar sands projects and with the government of Alberta over the tar sands projects to ensure that native people benefit from the great boom which will come about when those projects eventually get under way?

**Mr. Malone:** A bill of rights to kill affirmative action.

**Hon. Marc Lalonde (Minister of Energy, Mines and Resources):** Madam Speaker, I had the opportunity yesterday to read the letter to which the hon. member has referred. It is a very sad letter indeed. It tells much about the fate of the Indians living on Alberta reservations at the present time.

**Mr. Clark:** Tell us about James Bay.

**Mr. Lalonde:** The Leader of the Opposition asks me to talk about James Bay. I remind him that the James Bay Indians have had a first-rate settlement with the Government of Canada and the government of Quebec, and they are happy with it.

**Mr. Clark:** They were abandoned by their government. Mr. Chrétien ran away from his responsibilities.

**Mr. Lalonde:** I regret that the Premier of Alberta does not appear to have answered that letter. I have raised this issue with my colleague in meetings we had during the course of the summer. I have had meetings with the Indian groups concerned also in the last few months. I expect to see them again this week to discuss this issue further while their representatives are in Ottawa.

It is difficult to know what exact arrangements will be possible. I have raised this matter with Imperial Oil, which is the main promoter of Cold Lake, and they have indicated they are willing to consider participation by the Indians in the project. Obviously it would require the full co-operation of the two governments in order to achieve this particular purpose.

● (1425)

I would remind my hon. friend that under the project put forward by Nova and Petro-Canada, Petro-Canada has indicated quite clearly that it is willing to set aside shares for