

Mr. Broadbent: I should like the minister to name one benefit to Canada which flows from investing Canadian dollars to acquire new banking assets in the United States. Considering that Sweden, the United Kingdom and a number of other countries in western Europe have established agencies which ensure that before capital is exported for investment purposes, a domestic benefit must be shown, will the Canadian government consider establishing such a mechanism here so that we might get the kind of investment in Canada which would generate the jobs we need?

[Translation]

Mr. Chrétien: Mr. Speaker, it is obvious that at times I do not share the views of the Leader of the New Democratic Party. I think that if Canadian films can be shown abroad, they will eventually generate profits which would be repatriated to Canada. It would be the reverse mechanism to that of foreign investments in Canada. If we believe in a market economy and in the normal flow of capital between Canada and other countries, it is entirely normal under the circumstances for Canadian institutions to invest abroad.

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URBAN AFFAIRS

REQUEST FOR INCREASED ASSISTANCE FOR CMHC HOUSING

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I should like to put a question to the Minister of State for Urban Affairs with regard to low-cost housing projects. Anyway, he must have received my letter. I tried to reach him last week. I was unable to do so, but I should have liked to discuss the matter with him.

Some owners are having financial problem since Central Mortgage and Housing Corporation has reduced its assistance from \$89 that it was in May to \$48. In fact, in May the owners who bought low-cost housing received up to \$89 a unit, but since the middle or the end of June that amount has been reduced to \$48.

Can the minister say whether that policy of CMHC in this regard applies right across Canada? Is it a national or a regional policy?

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I do not quite understand the question of the hon. member. I believe he is speaking of one particular case, of a project in his riding. I shall obtain the pertinent information from the hon. member and give him an answer as soon as possible.

Mr. Gauthier (Roberval): On a supplementary, Mr. Speaker, so that the minister can study my question in depth. In any event, my letter must be on his desk already.

Oral Questions

That project was authorized in May and until the end of that month Central Mortgage and Housing Corporation granted \$89 for each new unit; but now that the tenants are ready to move into their apartments the grant is only \$48, which throws off their budgets completely. That is why I am asking the minister to give special attention to this case.

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● (1427)

[English]

THE CANADIAN ECONOMY

PURCHASE BY PETRO-CANADA OF SHARES IN PACIFIC PETROLEUMS LTD.

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and it is also in relation to the Pacific Petroleum transaction.

Because Petro-Canada's subsidiary has already paid out \$670 million and has committed itself to a further \$730 million on condition that the existing management and personnel of Pacific Petroleum stay on in office, and because they were not consulted in any manner, shape or form prior to the pay-out and the transaction being consummated on Friday morning—there is, therefore, no guarantee that they will stay on—is there any way by which Petro-Canada can recover the \$670 million already paid if Pacific Petroleum's people do not stay on?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I made it quite clear that this is a major building block for the energy security of Canadians. There is no intention whatsoever on the part of Petro-Canada to back away from this transaction. Indeed, the intention of Petro-Canada is to move forward and to pick up all the shares of Pacific Petroleum.

EFFECT ON ECONOMY OF PURCHASE OF PACIFIC PETROLEUMS SHARES

Mr. Allan Lawrence (Northumberland-Durham): Mr. Speaker, I gather that the answer is no. My supplementary question is to the Minister of Finance. The United States Securities and Exchange Commission this morning estimated that 70 per cent of the shareholders of Pacific Petroleum are American. This means that roughly \$1 billion Canadian will be flowing south of the border to finalize this transaction.

The Minister of Finance was part of the cabinet which had to approve this transaction. What effect will that \$1 billion Canadian flowing south of the border have on the Canadian dollar on foreign exchange markets?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, I am informed that Petro-Canada will be borrowing the money it needs for this transaction in American dollars, so that will have no effect on the Canadian dollar.