

Oral Questions

and others who may make use of it, of the very strong incentives available and of the very important success stories that have already come to a number of firms in Atlantic Canada because of these programs. Therefore, they should think further of making use of these incentives for the kinds of purposes mentioned by my hon. friend.

REQUEST FOR ASSISTANCE FOR COMPANIES IN NOVA SCOTIA

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I have already sent a letter to the minister regarding two important maritime companies. This was over a month ago, and the minister has not yet answered. Now that he has been made aware of the need for rail car orders for Hawker Siddeley in Trenton, N.S. and orders for rails from the CNR for the Sydney Steel Corporation, what are the prospects for immediate help for these two important corporations which are so important to the Nova Scotia economy and to the communities concerned? I know that CN has given its usual 88,000-tonne order to SYSCO, but this is just a continuation of past ordering practice. What new incentives of the type the minister talks about is he prepared to give to these two companies which have already had so much assistance from the taxpayers?

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, if my recollection is correct, the bids from the steel car manufacturing companies in Canada, including the Hawker Siddeley company, were received by the Department of Transport around March 8. They are being actively evaluated with the assistance of my officials. I would anticipate that the results would certainly be to recognize the very good capacities for manufacturing in the firms my hon. friend mentioned.

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SHIPBUILDING

MEASURES TO CANADIANIZE INDUSTRY

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, the minister must also be concerned about the fact that PetroCan is in the process of chartering offshore supply vessels built by the Hyundai shipyards in Korea while east coast shipyards need a great deal of help. What steps is the minister going to take in connection with his important portfolio, and in connection with his cabinet colleagues, to Canadianize not just the energy sector of our economy but also a little bit of our shipbuilding capacity?

● (1440)

Hon. Herb Gray (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, Petro-Canada, if I am not mistaken, has recently placed a contract for a supply vessel with the Saint John shipyard in New Brunswick, and as part of our industrial benefits policy we want to make sure that all companies, including Crown companies, are aware of the importance of

providing a full and fair opportunity to Canadian suppliers on a competitive basis, including Canadian shipyards.

We are reviewing a number of options at the present time to make this existing policy which we announced at the end of August even more effective, and the point raised by the hon. member is certainly very much part of our concern and part of our ongoing policy.

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BANK OF CANADA

MONETARY POLICY ADVOCATED BY GOVERNOR

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, last Friday the Governor of the Bank of Canada handed down his sentence to the people of Canada by indicating that he was not prepared to relent from his tight-money and high interest rate policy. This policy has been in effect since 1975, and the Governor himself has acknowledged that inflation remains at the same level today as it did in 1975.

Will the Minister of Finance continue to allow the Governor of the Bank of Canada to tighten the screws even further into the Canadian economy as a result of his present monetary policy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I had an opportunity on Friday to deal more extensively with the view of the hon. member which has been so frequently expressed by members of his party, that inflation really is not a matter which should be taken into account and causes no cost to the economy. That view which is so frequently expressed by the members of the New Democratic Party—

Mr. Deans: That is quite untrue.

Mr. MacEachen:—puts us miles apart. Therefore I do not know how it would be possible for me, if that is the view of the New Democratic Party, to justify to him the necessity of controlling the money supply in circumstances of an anti-inflationary program.

Mr. Riis: That accusation is absolutely untrue. This party has never taken that position.

MINISTER'S POSITION ON POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, the minister knows that we are deep into a recession and falling deeper all the time as a result of the present monetary policy. How many Canadians must be unemployed, how many businesses must go bankrupt, how many personal bankruptcies must be filed, how many businesses must go into receivership, how many farms must go into bankruptcy, how many cattlemen will have to sell their herds at fire sale prices—what is the minister's bottom line before he admits that this policy is inappropriate, and when will he start listening to the people of Canada and not to the Governor of the Bank of Canada?