

Oral Questions

saying that the Hon. Member for St. John's East has publicly stated that he has not been consulted in his caucus or by the critic for his Party about the recently announced policy of the Official Opposition. The Government's policy remains the same—strong and consistent.

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NATIONAL DEFENCE

PACIFIC PETREL PROJECT—REQUEST FOR RELEASE OF REPORT

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of National Defence. As the Minister is no doubt aware, I made official application three weeks ago for access to the report of the inquiry into the *Pacific Petrel* affair. Since a wooden sailing ship can hardly be considered of strategic importance or of national security relevance, why is the Minister stonewalling my request? He has had the report on the *Petrel* for some three months. How much longer must we wait to find out the truth about this mismanagement of public funds?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, the report is being prepared for delivery to the hon. gentleman within the time set out in the statute.

Mr. McKinnon: Mr. Speaker, I hope it will not run its full time, because the report was prepared three months ago and I should like to see it urgently.

COURT MARTIAL PROCEEDINGS

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have a supplementary question. The commander of Maritime Forces Pacific has stated in *The Times-Colonist* of Victoria that he knew about the *Pacific Petrel* project all along, as did the senior staff at National Defence Headquarters, yet the Department is court-martialling a relatively junior player in this drama and making him the scapegoat for everyone from the Vice-Chief of Defence Staff down.

Will the Minister now release the inquiry and assure the House that no action will be taken against National Defence personnel without a full, public revelation of the facts?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, the Hon. Member knows, as a former Minister of National Defence, disciplinary action is taken within the Department by the officer responsible for the command in question. That is the procedure that has been followed in this instance. The hon. gentleman knows full well that the proceedings will be commencing tomorrow. I hope that he will not ask me to start commenting on proceedings that are in progress. I will abstain from doing so.

FINANCE

COST OF GOVERNMENT BORROWINGS

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my question is directed to the Minister of Finance. In view of his projections in the February Budget of the cost of government borrowings of approximately \$20 billion, I should like to know what interest rate he used to calculate that cost? Does he accept the fact that a .5 per cent increase in interest rates in Canada represents as much as \$750 million in additional government expenditures?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member's mathematics may be all right assuming that these interest rates will last all year, but there is no reason to believe that this will be the case.

GOVERNMENT POSITION

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I have a supplementary question for the Minister. He knows that government borrowings already take as much as 90 per cent of Canadian savings. In itself this represents a major pressure on interest rates. Notwithstanding the Minister's previous answer, what principle will the Minister use to accommodate that additional cost to the Government? Will he increase taxes to compensate for the additional cost, will he decrease services, or will he increase the deficit?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my friend will have to wait for the fiscal year report for 1984-85.

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INDUSTRY

PETROCHEMICAL TASK FORCE REPORT

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Following on the presentation of the report of the petrochemical task force—and I believe that the Hon. Member for Wetaskiwin asked the Minister of Finance about this last week—I should like to know the position the federal Government is taking *vis-à-vis* action on the report. Many Governments are involved, and producers and producing provinces are also involved. Given the fact that the report was commissioned by the federal Government and done by the private sector, what role have the federal Government, and the Minister's Department in particular, taken?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, we have had some meetings with the industry, and my colleague, the Minister of State for Economic and Regional Development, and I are working on the problem. One possibility is conversion from oil to natural gas. We are having discussions at the present time with the Government of Alberta about an incentive price for new quantities