

Oral Questions

member referred we arrived at the conclusion that the companies now operating in the private sector are making an adequate secondary market for mortgages in Canada, and for this reason we concluded that we would not proceed with that particular corporation. We decided that for the time being and in the light of restraint on government expenditures we will not be going ahead. Certainly, there is no provision for that in the budgetary estimates for the coming fiscal year.

Mr. Stevens: Many engaged in mortgage activity in the private sector do not agree that this corporation is not a desirable adjunct to facilitating mortgage exchange work. Will the minister indicate if any consideration has been given to allowing the private sector to capitalize the Mortgage Exchange Corporation and activate it in order to assure a more liquid second mortgage market in Canada and, hopefully, lower mortgage interest rates?

● (1430)

Mr. Macdonald (Rosedale): Mr. Speaker, that has not been given consideration. Before taking that action, I would want to consider whether powers that were sought for a publicly owned corporation would be appropriate for one operated by a private group.

* * *

GRAIN**WHEAT—NATURE OF AGREEMENT SOUGHT WITH UNITED STATES**

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct my question to the minister responsible for the Canadian Wheat Board. Will the minister clarify the government's objective or position with regard to the minister's recent meetings with the United States Secretary of Agriculture? Is it the intention of the department or the government to start working toward a new international wheat agreement which would encompass Canada, the United States, presumably Australia and possibly Argentina?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, it has always been our policy and our hope to develop an atmosphere in which an effective grains arrangement could be produced between importers and exporters of the world. The more recent discussions between Secretary of Agriculture Bergland and myself have been an exploration of our willingness to work jointly toward the necessary techniques or mechanisms to ensure that an agreement would be workable. The hon. member will remember that a previous international agreement did not work when it came under strain of heavy supplies and downward pressures on prices. Canada favours the idea of an international agreement which protects our producers against undue competition and when supplies are really needed, reserves are available. We do want working agreements. We do not want to get ourselves in the position we were in under the old agreement.

[Mr. Macdonald (Rosedale).]

Mr. Murta: Did the discussions the minister had with the Secretary of Agriculture involve maximum and minimum prices in so far as the new agreement is concerned? The second part of my question is whether the Secretary of Agriculture will be in Ottawa on April 4 and 5. If so, will the minister indicate what the talks will be about? Will part of them be about the matter of an international agreement in so far as pricing of wheat is concerned?

Mr. Lang: Mr. Speaker, in our discussions in Washington, we did not discuss specific details of such things as minimum and maximum provisions. We were beginning the discussion on such questions as techniques or mechanisms which would be required to make sure the minimum was effective, if one existed. We knew we would want to have discussions at the official level as well as further discussions among ourselves before we reached any conclusions in this regard. I understand that Secretary Bergland has been invited by the Minister of Agriculture to come here to discuss a good number of things in the agricultural field. On such a visit I would expect also to meet with him. We may well pursue this subject further at that time.

* * *

NATIONAL DEFENCE**ROLE OF PROPOSED NEW FIGHTER PLANES—DIVISION OF EXPENDITURE BETWEEN OUTSIDE AND INSIDE CANADA**

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Minister of National Defence. He apparently announced a proposal to spend \$2 billion to purchase new fighter planes. Against what sort of threat are these planes supposed to defend us? Is it not chiefly against a massive attack on North America by manned bombers and is this not entirely unrealistic in the age of missiles and immense nuclear retaliatory power?

Hon. Barney Danson (Minister of National Defence): Mr. Speaker, the authority to seek bids on new fighter aircraft are for the various tasks our Canadian armed forces have to play with the first priority on defence of North American security, but also our role in NATO and elsewhere.

Mr. Brewin: If this \$2 billion is in fact spent, added to the \$1 billion for the long-range patrol aircraft, how much will be spent inside and how much outside Canada? What would this vast expenditure of capital outside of Canada do to our exchange rates, rates of inflation and unemployment in Canada?

Mr. Danson: Mr. Speaker, we are looking for the best and longest range of industrial benefit for Canada in this purchase. I am not certain at this time what percentage that might be. I have been asked what we are seeking. I would like to start off which industrial benefits of about 150 per cent of the contract. We are looking for the best proposals that will come forward for the best aircraft for the purposes for which they are being purchased.