

past the stage of study. I certainly would not want to suggest that we have been inactive in this area. It is before cabinet at the moment and I expect that we will be in a position to announce a decision in the near future.

#### EXPORT TRADE—FEDERAL SUBSIDY

**Senator Perrault:** I know the minister is quite concerned with the subject of export trade. He has spoken to a number of seminars on that subject, and has spoken well. The same President of the Treasury Board made a statement just about the same time. He said that the "first Conservative budget will include \$75 million in support of export sales."

I want to ask the minister where the budget provides the money for the improvement of export sales.

● (1425)

**Senator de Cotret:** I shall have to refer that question to the attention of the minister. I would be happy to mention other budget statements that I have before me going back over the last two or three years, but I would not dare bring the level of debate in this house to within such a narrow partisan focus.

**Hon. Senators:** Oh, oh!

**Senator de Cotret:** So I shall refrain from doing so. There is no question that export trade is one of the main preoccupations of the government and of the Economic Development Committee. A number of reports have been presented recently, one of which, to be made public in the next few days, is the Hatch Committee's Report on Export Promotion. Excellent suggestions have been made by that committee. Changes will be brought to the Export Development Corporation in the area of export financing, and those decisions should be announced within the next few weeks. They will certainly be beneficial in supporting the further efforts that we are making in the field of export promotion and export financing in this country, and I am sure they will meet with the overwhelming approval of honourable senators on both sides of this chamber.

#### INCOME TAX—PROGRESSIVE CONSERVATIVE PARTY CAMPAIGN PROMISE

**Senator Perrault:** I have one final question. Perhaps it should be directed to the Leader of the Government. On November 20, 1978, the Leader of the Conservative Party made a solemn promise to his "fellow Canadians" that there would be "personal income tax cuts of at least \$2 billion in the first Conservative budget." That promise was repeated by the Honourable Sinclair Stevens about the same time. I would ask the leader: What about this massive promise that helped propel the Conservative government into power? Where is it in the budget?

**Senator Flynn:** It is quite obvious that following the statement to which Senator Perrault referred, the government encountered a multitude of problems left on the table by the retiring administration.

**Hon. Senators:** Oh, oh!

[Senator de Cotret.]

**Senator Flynn:** And that some promises have had to be postponed. However, it does not mean that they do not remain in the program of the Progressive Conservative Party.

We have to make the Canadian people realize what a mess the new government was left with. Decisions which should have been taken over the years now have to be taken by the Conservative government, and some may well be rough decisions from the point of view of the Canadian people. However, we will not avoid doing what is necessary in the common interest, and those promises that cannot be met now will be met eventually.

**Senator Perrault:** Honourable senators, that argument really does not wash in view of the fact that the President of the Treasury Board, after the Conservative government assumed power, said that the books were in better shape than he had expected.

**Senator Flynn:** That was his first assessment. I believe he corrected it afterwards. It was only because he accepted the arguments made by the former administration. If I am not mistaken, after reviewing the situation he changed his mind.

In any event, Senator Olson has given notice of an inquiry on the budget speech, and when that inquiry is proceeded with all these matters can be discussed at length. His inquiry may be a good thing. It would certainly be in better order than the lengthy questions of the Leader of the Opposition in confusing the facts and trying to confuse the public—

**Hon. Senators:** Oh, oh!

**Senator Flynn:** —and perhaps confusing the members of his own party.

#### DISTINGUISHED VISITOR IN THE GALLERY

THE HON. ROBERT H. MACQUARRIE—SPEAKER OF THE NORTHWEST TERRITORIES ASSEMBLY

**The Hon. the Speaker:** Honourable senators, I hesitate to interrupt the Question Period, but I feel it is my duty to call the attention of the Senate to the fact that we have a very distinguished visitor in our gallery to the south. He is the new Speaker of the Assembly of the Northwest Territories. I am sure that honourable senators would wish to welcome him, the Honourable Robert H. Macquarrie, Doctor of Education, member for Yellowknife Centre in the Assembly.

**Hon. Senators:** Hear, hear.

● (1430)

#### ENERGY

DOMESTIC OIL AND GAS PRICES—FEDERAL-PROVINCIAL NEGOTIATIONS

**Senator Olson:** Honourable senators, I would like to ask the Minister of Industry, Trade and Commerce a question about the status of the negotiations with the producing provinces. It seems to me, by way of preamble to my question, that last night the Minister of Finance laid out fairly well, and in