

*Oral Questions*

**Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs):** Mr. Speaker, at the moment I would not believe that any particular action is justified with respect either to the Bill on the borrowing authority or any other aspect of government policy. The Hon. Member has talked about a development that is one week old, as he said. As I have pointed out, we have had similar incidents in the past which have corrected themselves. This may be quite another one of those. I do not think that the present change in the value of the Canadian dollar represents a fundamental weakness in the Canadian dollar; quite the contrary.

## MAGNITUDE OF GOVERNMENT'S BORROWING DEMANDS

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, would the Deputy Prime Minister agree with Mr. Paul Volcker of the American Federal Exchange who, yesterday, said to a committee of Congress that deficits of the magnitude suggested forced interest rates substantially higher than they would otherwise be?

Would he also agree that the present borrowing demands of the Government exceed 91 per cent of estimated gross domestic savings? Will he tell the House and the country how people can hope to have a mortgage on their home, to borrow money for a business to put people back to work, with the interest rates that are now being forced upon the Canadian public?

**Miss MacDonald:** Try to understand it, Allan.

**Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs):** Mr. Speaker, the Hon. Member asks me whether I agree with Mr. Volcker, Chairman of the Federal Reserve Board, when he talks about the deficit. First of all, I should like to know what time span the Chairman of the Federal Reserve Board was talking about. Was he talking about 1984, 1985, or 1986?

As I understand the situation in the United States, I think the concern that has been expressed is directed more particularly to what the authorities call the "out" years and the failure to take action on that deficit not necessarily in 1984, but beyond. If the question is put in that context, then I agree with what Mr. Volcker has to say.

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## ENERGY

JURISDICTION OVER NEWFOUNDLAND OFFSHORE RESOURCES—  
REQUEST FOR RESUMPTION OF NEGOTIATIONS

**Hon. James A. McGrath (St. John's East):** Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. Now that the legal question of offshore jurisdiction is behind us, is the Minister prepared to move quickly on a settlement of the political issues involved in the offshore? Is he prepared to take advantage of the presence in Ottawa of the

Premier of Newfoundland and of the Minister of Energy for Newfoundland, and resume the talks?

**Hon. Jean Chrétien (Minister of Energy, Mines and Resources):** Mr. Speaker, I am very pleased that the situation has been clarified and that the Supreme Court has given jurisdiction to the national Government.

**Some Hon. Members:** Hear, hear!

**Mr. Chrétien:** As everyone knows, when I tried very hard a year ago to reach an agreement with the Government of Newfoundland before there was a decision in the court, I did not quit the negotiation table; it was the Minister from Newfoundland who quit.

Pending an agreement with the Province, the federal Government will administer the resources offshore of Newfoundland and make sure, because the climate will be better now, that there will be no conflict of jurisdiction. That will create a very good climate for investment.

I am very happy to have a Member from Newfoundland attached to my Department as Minister of State for Mines. He will make sure that the development of these resources in the future, pending an agreement with Newfoundland, will be in the best interests of the people of Newfoundland, and will make sure that the maximum benefit possible will go to them. When we do that, we know that it is in the best interests of Canada as a whole.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Leader! Leader!

**Mr. McGrath:** Mr. Speaker, I had hoped that the Minister of Energy, Mines and Resources, who aspires to the leadership of the country, would take the high road in dealing with these questions. I now give him that opportunity.

## POLITICAL SETTLEMENT

**Hon. James A. McGrath (St. John's East):** Mr. Speaker, is the Minister prepared to take the leadership and resume negotiations with the Province of Newfoundland on the basis of the necessity of a political settlement, and on the basis of dealing generously and magnanimously with one of the provinces of this country?

**Hon. Jean Chrétien (Minister of Energy, Mines and Resources):** Mr. Speaker, I am not quite ready to take the leadership; I am reflecting on that.

If Mr. Marshall and Mr. Peckford want to see me, I am available, and I always have been available. I went back to Newfoundland many times to meet with them. One time, some reporters even tried to organize a meeting when Mr. Marshall was in the same room as I was, but he did not want to talk about the issues. Everyone knows that I want to settle this problem. I always wanted to settle it, but now the court has decided. If it is federal jurisdiction, that does not mean that it