

*Oral Questions*

and for cost overruns. When will the Prime Minister accept his responsibility as Prime Minister and ensure that future contracts do not provide incentives to waste the taxpayers' money?

**Mr. Trudeau:** Mr. Speaker, there is never any incentive to waste the taxpayers' money. The government follows procedures which are common in the private sector and which happen at all levels of government.

**Some hon. Members:** Oh, oh!

**Mr. Trudeau:** I understand that some hon. members over there want to enter the fray. I can only attempt to answer questions as they are asked of me. If hecklers want to get into the act, very well.

**Mr. Beatty:** Mr. Speaker, how does the Prime Minister justify the statement he just made with the statement on page 178 of the Auditor General's report which reads:

With fixed-time rate and cost-plus pricing methods, there is often no incentive for the contractor to control his costs; indeed, there may be a positive incentive for him to maximize hours spent or costs incurred.

**Mr. Trudeau:** Mr. Speaker, all I said was that in the private sector, as well as at all levels of the public sector—federal, provincial and municipal—there are cases where cost-plus contracts are entered into. It depends on the particular circumstances. That is why I invited the hon. member to not make general statements but to raise any particular contract he is concerned about. The minister, if he is given notice, will be happy to answer either in the House or before the public accounts committee.

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**THE CANADIAN ECONOMY****REQUEST PRIME RATE NOT BE FURTHER INCREASED**

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, my question is to the Minister of Finance. In view of the figures released this morning, which are being described by market analysts as atrocious—inflation up 1 per cent in the month, the trade surplus down dramatically from last month, the dollar, before the Bank of Canada intervened substantially, caving in by almost half a cent from its close yesterday—would the Minister of Finance tell the House whether he now intends to at least speak to the chartered banks in the hope that they will not increase the prime rate still further, bearing in mind that the prime rate in the United States this morning went up a further half point?

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, as is usual, I do not speculate in the House on the movement of interest rates. These problems are discussed by myself with the governor of the Bank of Canada when there are circumstances which call for it.

With regard to the figures which came out this morning, I said in my budget speech last week that I expected to see price indexing increase for the month of October because of the

[Mr. Beatty.]

return of the provincial sales tax. Another factor is that in the month of October we always include the CPI increases in taxes levied by the municipalities. I said that it was a phenomenon that would happen in October, but that the trend of the decline of the CPI as predicted would carry over. In the last three months, the increase in the CPI has been the lowest for any three-month period in years.

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**THE MINISTRY****PRIME MINISTER'S CONFIDENCE IN CERTAIN MINISTERS**

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, before putting my next question to the Prime Minister I would point out that the Minister of Finance obviously still does not understand his portfolio. I was referring to the prime rate, not the bank rate. The prime rate has nothing to do with the governor of the Bank of Canada.

My question to the Prime Minister centres around his escapades this morning referred to as a cabinet shuffle. In view of the fact that he has bypassed the Minister of Finance, has demoted the Minister of Industry, Trade and Commerce and has even shorn that minister of his deputy minister, would the Prime Minister confirm to the House that this move—appointing a nanny, if you like, over various other ministers—is a clear indication of his lack of confidence in the Minister of Finance and the Minister of Industry, Trade and Commerce, but that he did not want to hurt their egos?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I am not quite sure if the question is of urgent and pressing necessity, as called for under the rules.

**Mr. Paposki:** It is an oral question, not an S.O. 43.

**Mr. Trudeau:** It is a question about nannies. I think that is of more interest to the other side than it is to this side.

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**EXTERNAL AFFAIRS****REQUEST POPULATION DESK BE SET UP WITHIN DEPARTMENT**

**Mr. F. A. Philbrook (Halton):** Mr. Speaker, my question is to the Secretary of State for External Affairs. Considering that the problem of world population is still very serious, in spite of encouraging reports recently, and that there is now an international group of parliamentarians working on population and development which is, in fact, headed by a Canadian MP, would the minister consider setting up a specific population desk either in his department or perhaps in CIDA or IDRC?