

*Oral Questions***NATIONAL DEFENCE**

IMPACT OF ECONOMIC STATEMENT

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Minister of National Defence. First, through you, Mr. Speaker, I would like to take this opportunity to congratulate the Hon. Member for Cumberland-Colchester on his appointment as Minister of National Defence. I would also like to offer my condolences to him because of the ambush job that the Minister of Finance did on him in his economic statement.

The Minister of National Defence has been quoted as saying that if the money is not there to keep the promises that the Conservative Party made to the Canadian Armed Forces and the Canadian people during the last election campaign, then it will have to be found. I appreciate that statement. I will back him up 100 per cent on that. How does the Minister explain the announcement in the economic statement by the Minister of Finance that the Defence budget will be cut by \$154 million, while at the same time saying that Canada's commitment to NATO can be maintained, particularly at a time when he and his colleagues have been saying over and over again that Canada's commitment to NATO is not being maintained?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I wish to say to the Hon. Member for Renfrew-Nipissing-Pembroke how pleased I am that he among his colleagues was selected to be the critic for National Defence. He has had a continuing commitment to our defence forces, even though he has represented a Party that forgot its commitments over and over again. I want to give him the assurance, as I did in my speech this morning, that the so-called cuts in the Defence budget were indications of a reduction in the costs of purchasing equipment because the rate of inflation came down, the only achievement that his people had anything to do with during the four years they were there. We will move forward on the commitment we have given to the Canadian people in relation to our commitments to both NORAD and NATO. He can rest assured that, by the time this Government has completed its first term in office, everybody in the world will understand that Canadians keep their commitments to their defence alliances.

Some Hon. Members: Hear, hear!

CANADIAN COMMITMENT TO NATO

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a supplementary question. I appreciate the Minister's remarks about me. It was the type of answer that I expected him to come forward with at this time.

Mr. Speaker: No, no. Question please.

Mr. Hopkins: How does the Minister justify the statement in the Expenditure and Program Review document by the President of the Treasury Board which states that "these savings can be realized while maintaining Canada's commit-

ment to NATO"? Surely their own government document infers that Canada has been keeping its commitment to NATO all along, while the Conservative Party statements have been to the contrary. There is a conflict between the Minister and the President of the Treasury Board. Will he explain that to us?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I will be pleased to explain it to the Hon. Member. If he will read the speech I gave in the House this morning, he will find the explanation. I was subjected to questioning by the Member for Winnipeg-Fort Garry, who is a rather new Member of this House and does not realize how the former Government emasculated our commitments to NATO and NORAD. We are putting them back together at this time.

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INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

LEVEL OF FUNDING

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, since the Government will not release what the Finance Department's economic model shows will result from its cuts, I have a question for the Minister of Regional Industrial Expansion with respect to one program which has been cut. The Industrial and Regional Development program has had \$525 million in cuts. We estimate that they will result in 41 per cent of the grants that would have been given in the first nine months not being possible. Is the Government aware that one consequence of these \$525 million in cuts will be 55,000 jobs lost to Canadians? Will the Minister release any studies which were carried out on which his decision to change the categories in this program was based? Canadians have a right to know why these changes were made.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, and as this is the first opportunity I have had to do so, I congratulate him on his new role as critic of my Department. I can only add, in response directly to his question, in which he refers to 55,000 jobs being lost, that the facts are that we are expending under IRDP grants in the coming year 35 per cent more than in the current year. Only a socialist could reason that that means a loss of jobs in Canada.

Some Hon. Members: Hear, hear!

Mr. Langdon: I am perhaps a socialist, but I am also a mathematician. The Minister indicated in his statement that he was cutting the amount for that program by 35 per cent. Either the cuts are real, in which case it is \$175 million less—

Mr. Speaker: Order. With great respect, does the Hon. Member have a supplementary question?