

*Oral Questions***FINANCE**

GROWTH IN MONEY SUPPLY

Mr. Bill Wright (Calgary North): Madam Speaker, my question is directed to the Minister of State for Finance. In the mid 1970s the government informed Canadians that it would have to control the rate of growth in the money supply in order to contain inflation. The statistics of the Bank of Canada indicate that this is a complete failure. In only one year out of the last ten has inflation gone down when the money supply has gone down. Many economists in Canada are telling the government that it is impossible to contain inflation unless the government contains its own spending in addition to controlling the growth in the money supply. Is the minister prepared to admit that the control of the growth in the money supply is ineffective unless we also control government spending?

[Translation]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, I am surprised that the hon. member would ask such a question. I would simply suggest to him to read once again the budget speech made last October by the Minister of Finance. He will see quite clearly that the Minister of Finance indicated not only his support for the monetary policy of the Bank of Canada, but also that, for this policy to be effective, he would undertake to reduce the deficit in an orderly manner. He gave an outline of the plan to reduce government expenditures as well as the deficit. He also indicated that the fight against inflation must involve all sectors of the economy. That is the message that the budget gave to all economic agents.

[English]

PROPOSAL TO REMOVE TAX ON EXPORTS OF NATURAL GAS

Mr. Bill Wright (Calgary North): Madam Speaker, I find the minister's answer hard to understand since government spending has risen by 16 per cent this year. A couple of weeks ago Mr. Lougheed, the Premier of Alberta, suggested that the government could have some positive effect on interest rates if it allowed more exports of natural gas, simply by taking off the 30-cent per thousand cubic feet of tax which the government imposed on natural gas going from Alberta. He suggested that if the government did this it would no longer have to track American interest rates as it is doing now. Is the minister prepared to consider such a proposal from a financial standpoint, not from the standpoint of the Department of Energy, Mines and Resources?

[Translation]

Hon. Pierre Bussières (Minister of State (Finance)): Madam Speaker, the hon. member should know that the policy of this government is consistent and not compartmentalized. As a proof of this, in the last budget, in addition to the financial operation framework of the government for 1981, the Minister of Finance announced jointly with the Minister of Energy, Mines and Resources a new national energy program.

In our view, natural gas and oil are first of all resources which must serve all Canadians and every action must be taken to ensure that they continue to do so.

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[English]

AIRPORTS

ROLE OF DAWSON CREEK, B.C. AIRPORT IN DEVELOPMENT OF NORTHEAST COAL PROJECT

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is directed to the Minister of Transport. It concerns the development of northeast coal in British Columbia. As he knows, one way to stimulate the economy in the short term would be to get some megaprojects under way. In connection with his responsibilities as minister, I would ask him to put some of the infrastructures in place in northeastern British Columbia to facilitate the shipment of this coal. Apart from his responsibilities in connection with the agreements that have been made with the province, there is a direct responsibility, namely, in connection with the upgrading airports and facilities for air transportation in the region.

I am particularly concerned about the hopelessly inadequate facilities at the Dawson Creek airport which was assigned a very important role as a staging area for coal development. Have the minister's officials as yet examined the role the Dawson Creek airport is to play and whether money has been set aside and planning is under way to upgrade the facility?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, indeed this area will have very substantial growth in coming years. This morning I read in the paper that a CN vice-president announced that more than \$500 million would be spent on the CN line in this area. He was talking, I may say to the Prime Minister, in terms of double-tracking that part of it, Prince George to Prince Rupert, by 1995.

On the situation of the airport at Dawson Creek, I must admit I cannot memorize the budget of all airports in Canada; there are close to a thousand of them. I will report to my hon. friend as soon as I can.

Mr. Oberle: Madam Speaker, the minister will discover that it was previously planned to redesignate and upgrade the airport and that with the additional load and role assigned to it by his former colleague, Mr. Basford, the situation is now extremely crucial. Could the minister report to me on whether the upgrading of the airport will be looked at as the sole responsibility of his department, or will it be tied in to the general agreement between the province and the federal government? In other words, are the province and the regional area expected to pay some of the costs of the upgrading of the airport, or will the minister assume that responsibility himself?

Mr. Pepin: Madam Speaker, I cannot be very definitive on the subject. In Canada there are different classes of airports. There are airports of a more local nature where provincial