

Oral Questions

will show the same spirit of co-operation which the governments of Nova Scotia, Saskatchewan, Alberta and British Columbia have shown in the last year.

PORT TERMINAL FOR LIQUEFIED NATURAL GAS PROJECT

Mr. Howard Crosby (Halifax West): Madam Speaker, I suppose it is prudent to reserve judgment on the terms of the settlement. We can only hope that they will be beneficial to the people of Nova Scotia, as well as to all people in Canada. But I must correct the minister on one matter. It is not members who are saying that development has been retarded, it is officials of the oil companies, such as the Mobil Oil company, who have made that claim.

I want to ask the minister about another important project which affects the east coast, energy self-sufficiency, and security of supply; that is, the LNG project called the "Arctic Pilot Project". Could the minister ensure that this project is receiving the full support of the government? Will he also assure people on the east coast that the Nova Scotia port will be considered as the terminal for the LNG plant and that there will be no political action intended to have it located elsewhere, particularly on the St. Lawrence River?

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I am surprised by the allegation of the hon. member that he does not trust the Premier of Nova Scotia and the minister of energy for Nova Scotia to negotiate a good deal for their own province. I can tell him that I have more confidence in them to negotiate such a deal than in anybody in the Tory opposition in that regard.

Mr. Crosby: Not with a gun to their heads.

Mr. Lalonde: With regard to the question he raised, the issue is before the National Energy Board. It is being heard by that body, and we will await its conclusions. Private parties and provincial governments are welcome to make their cases and to be heard by the board. We will await its recommendations. There has been no interference—and I do not expect any—in the operations of the board. It has always operated as a quasi-judicial agency, and I do not know of any interference which has ever taken place in the activities of the board.

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CANADIAN FEDERATION

PRIME MINISTER'S STATEMENT ON CO-OPERATIVE FEDERALISM

Mr. Edward Broadbent (Oshawa): Madam Speaker, in the absence of the Prime Minister I should like to direct my question to the Deputy Prime Minister. Yesterday the Prime Minister said that co-operative federalism is dead. Since the essence of federalism is that different politicians have different legitimate responsibilities at different levels of government, inevitably from time to time they lead to conflict. Does the Deputy Prime Minister not agree that to minimize inherent structural conflicts in the federal system of Canada requires a co-operative attitude, especially on the part of the central

government? Therefore would he not agree that the statement of the Prime Minister yesterday is in itself destructive of the very essence of federalism?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member should look more closely at what the Prime Minister said. He went on to give a description of what, in his view, had been co-operative federalism, which he said was no longer applicable. I do not think that from that statement the hon. member ought to draw the conclusion that co-operation between the federal government and provincial governments has ended. I believe there will be co-operation, but probably in a different way, and probably more in keeping with some provincial aspirations expressed in the past to do their own thing and to avoid overlapping with federal activities.

• (1125)

FEDERAL CONTRIBUTIONS TO BLOC FUNDED PROJECTS

Mr. Edward Broadbent (Oshawa): Madam Speaker, the minister's attempt to pour oil over troubled waters will not take away the actual words, including the actual context, which the Prime Minister uttered. But in pursuing the subject I want to get into an area in which the minister himself has been actively involved. I am referring to the block funding projects, which seem to illustrate clearly the lack of a co-operative attitude coming from the central government.

Considering that the federal government itself proposed to the provinces the bloc funding scheme to apply to post-secondary education and to health services, and is now cutting back on the amounts of money going to those funds, leaving the provinces with the responsibility, will the minister not admit that by this attitude it is the central government itself that is destroying the notion of co-operative federalism in Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has mentioned that we are intending to reduce the rate of growth in transfers to the provinces. I have made it clear, and the Prime Minister has made it clear, that under the proposals made to the provinces, including equalization, the cash transfers under EPF and tax transfers, the growth will be close to 12 per cent a year. That is about the same rate of growth that we plan for federal expenditures. It seems to me that is a fair and a co-operative way to behave, namely, to treat the provinces in the same way you treat your own government. I do not see any difficulty with defending that approach in the country as being one of co-operation and, indeed, equal treatment.

QUERY RESPECTING POLITICAL CREDIT FOR FUNDS

Mr. Edward Broadbent (Oshawa): Madam Speaker, everyone knows the government is cutting back on funds. The universities have said it; the provinces have said it; the opposition parties have said it. Only the Liberal Party of Canada is denying that everyone else takes to be the case. What lies