

Oral Questions

REQUEST THAT GOVERNMENT ACT TO LOWER INTEREST RATES

Mr. David Orlikow (Winnipeg North): Madam Speaker, I wish to direct a supplementary question to the Acting Prime Minister. In an interview which the Prime Minister gave on the weekend he is quoted as saying the following: "The federal government may have to restrict money supplies even more severely to scare Canadians into lowering their expectations." Obviously, restricting the money supply will mean even higher interest rates than exist at the present time.

Given the fact that present high interest rates have led to the million and a quarter unemployed, the highest number we have ever had, and given the fact that they have also led to an increase of almost 40 per cent in business bankruptcies, which means if interest rates continue at their present level we are likely to have 15,000 or 20,000 bankruptcies, how many bankruptcies, how many more unemployed do we need before the government will drop this insane idea of higher interest rates and tighter money?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, because of what just happened, I hesitate to take the quotation attributed to the Prime Minister at face value. Unfortunately, I received a copy of his speech only about two minutes before I entered the House. I have not had a chance to read it all. However, the points that were raised by the hon. member could be the subject of debate this afternoon. I am quite sure that the Minister of Finance, who will be taking part in the debate, will want to reason with our friends on the other side of the House, on what is happening in the area of bankruptcies, the relationship between bankruptcies and interest rates, and other matters of this kind. So, could we postpone this matter? I am sure that my hon. friend would want to take part in the debate, and at that time he could make his arguments.

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● (1430)

VIA RAIL

APPOINTMENT OF PRESIDENT

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, my question is directed to the Minister of Transport. He had notice, more or less, on Friday when I was trying to ask him this question. Can he please explain the appointment of Pierre Franche as the new president of VIA Rail, especially at a very critical time in that organization's life, when there is no VIA Rail bill, and when the government has appointed a president who has no experience with the railway whatsoever, according to his *curriculum vitae*?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, most people thought that what was needed was a good administrator, and Mr. Franche was not a port expert when he became chairman of the National Harbours Board six years ago. Since then, the operating income of the National

Harbours Board has gone from minus eight to plus 30 million dollars. Productivity has gone from 67,000 tonnes per employee to 91,000 tonnes. In 1976, 11 ports were losing money, and now all 15 are making money. So, we felt that this was the sort of man VIA needed at this time. If Mr. Franche does as well for VIA as he has done for the National Harbours Board, my hon. friend will be the first to compliment us on his selection.

Some hon. Members: Hear, hear!

RELATIONSHIP WITH PRESIDENT OF CANADIAN NATIONAL RAILWAYS

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I will not go into the history of the National Harbours Board and the capitalization of existing debt which does produce a rather interesting black picture in terms of operations. However, I would like to ask the minister a very deliberate question. I would ask him to clarify some confusion, and explain to this House whether Pierre Franche is not the brother-in-law of Dr. LeClair, the president of the CN? If he is the brother-in-law of the president of the CN, which just happens to be the biggest client of VIA Rail, does the minister not think that this is a rather invidious position in which to put both of these individuals?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, indeed they are brothers-in-law. I do not think one should be punished in life for having a brother-in-law, nor should one be rewarded. So, we felt that this consideration was really immaterial in the selection of the new president of VIA.

Some hon. Members: Hear, hear!

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NATIONAL DEFENCE

GRAPH PROJECTIONS OF CAPITAL REQUIREMENTS FOR YEARS 1984 TO 1991

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my pigeon has just gone out into the lobby. Oh, I see that the hon. minister is on his way back.

My question is directed to the Minister of National Defence. A year ago the minister provided committee members with a 15-year capital program projection chart and graph and this year he provided the members with a revised graph. If one compares the two graphs, one will find that the Department of National Defence has had its capital requirements for the years 1984 to 1991 reduced by over \$3 billion. Would the minister tell the House what programs are to be deleted or postponed?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as far as I know from the information I have received from my department, and the decisions which have been taken by this government, there is no major program which has been delayed. All the programs are in progress and