

Oral Questions

does he have to say to the one in every four of the people of this country who have to depend on urban transit to get to their places of employment and to their residences in view of the renegeing yesterday of this solemn undertaking made by the Prime Minister in 1974 to provide full cost of developing and building urban transit facilities in this country?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would remind that group to which the hon. gentleman refers that there has been a widespread expression of concern by the colleagues of the hon. gentleman and by many other people in Canada regarding the rate of inflation in Canada and that as part of the anti-inflation program the rate of growth of expenditures of the federal government is to be progressively reduced over a period of time. The day before yesterday my colleague, the President of the Treasury Board, tabled estimates, and I think the hon. member for Vegreville agreed with the notion that we should reduce federal expenditures. Indeed, arriving at that conclusion has been awkward and hard, as has been the choice in many other areas, the federal government will not be able to extend its assistance to municipalities which we had hoped to assist in earlier years.

Mr. McGrath: A supplementary question, Mr. Speaker. I would remind the minister that the rate of inflation in 1974 when this promise was made was considerably higher than it is now; we had double digit inflation at that time, but that was not a consideration when the Prime Minister made the promise. In view of the fact that the minister's colleague in charge of housing and urban affairs is now in Edmonton in pursuit of an attempt to get agreement between the provinces and municipalities to resume tri-level discussions of the new policies, and in view of the fact that the situation is urgent, does the minister intend to put in place, to assist municipalities and hard pressed metropolitan areas of this country which embrace 75 per cent of the population, measures to relieve the pressures on them of this population growth?

Mr. Macdonald (Rosedale): Mr. Speaker, in reply to his first remarks I would remind the hon. gentleman that the rate of inflation is indeed down, and down in part because of the decision of this government to exercise that kind of economic restraint. I find it a rather peculiar priority which the hon. gentleman has; he would sooner have 11 per cent inflation and an increase in government expenditure.

Mr. McGrath: A final supplementary question, Mr. Speaker. It is precisely because the rate of inflation is down that the minister should discharge this solemn promise made in 1974. In view of these studies and the projection arising out of these studies which were made by his colleague, the Minister of State for Urban Affairs, that by the turn of the century half of the population of this country will be living in three large metropolitan areas, thereby putting increasing pressures on urban transportation facilities, and in view of the substantial energy savings of \$5 billion estimated over the next 25 years if we can increase our urban transit capacity in this country, would the minister take a look at these studies by his colleague, the Minister of State for Urban Affairs, and his

[Mr. McGrath.]

colleague the minister of energy, which are now underway and, in consultation with them, come up with some kind of cost-sharing program to meet the serious problem which is facing our cities and our provinces?

Mr. Macdonald (Rosedale): Mr. Speaker, we are about to deal today with a provision having to do with the cost-sharing program whereby, as part of this government's priorities, we transfer fiscal room and responsibility to the provincial governments for the purpose of discharging provincial programs, such as those dealing with urban transit. In that sense we are making substantial financial room available to the provinces. In my own province this has been the obligation of the province of Ontario, and under these particular circumstances we think it reasonable that the provinces should continue as they have in the past to assist in the evolution of urban transit.

So far as transportation is concerned I go back to my basic point, that we are in the process of reducing the share of the gross national product taken by the federal government and this, of course, inevitably involves a reduction in major spending programs.

REASON FOR GIVING PRIORITY TO AIRPORT CONSTRUCTION
OVER URBAN TRANSIT

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is also for the Minister of Finance and has to do with priorities. Given that the federal government has invested massive amounts of public funds in air transportation facilities and projects, such as the white elephant at Mirabel and the stillborn Pickering proposal, which will serve at best only 10 per cent of the Canadian population, would the minister indicate why priority was given to these projects which presumably has resulted in the minister's having to make his statement yesterday that there is now no money to invest in urban transportation which could serve 75 per cent of the Canadian population?

● (1130)

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, the provision of air facilities to Canadians has been the responsibility of the Government of Canada, and indeed, hon. members made reference to Pickering. It may well be that in time the present volume of traffic in and around Malton airport will require a further extension of facilities in my particular community. In that sense I entirely support the actions taken by the Minister of Transport and his predecessors to provide better facilities to the Toronto centred region, and in that regard I have no difficulty at all in defending the decision to acquire the land for Pickering. I hope that the provincial government in due course will realize some of the difficulties that the community will have to suffer by not having adequate air and other facilities.