

to introduce a bill in the House which would force refiners to sign contracts with all independent distributors in which they would indicate a certain supply, and at the same time would guarantee a certain price at the refinery for all the independent distributors, a price which would be competitive with the price offered to their own distributors.

[English]

**Hon. Ray Hnatyshyn (Minister of Energy, Mines and Resources):** Mr. Speaker, my department is keeping a very close watch on progress with respect to this matter. We have taken steps with respect to allocation of additional supplies and additional flexibility in the interprovincial pipeline. We have been successful in arranging for some additional supplies because of the increased capacity which will be available.

I want the hon. member to know I am seriously concerned about this matter and I am going to do all I can to get us through the next few months. Unfortunately, I inherited this problem when I took over this portfolio.

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#### ROYAL CANADIAN MOUNTED POLICE

##### INTERIM REPORT OF McDONALD COMMISSION

**Mr. J. P. Nowlan (Annapolis Valley-Hants):** Mr. Speaker, my question is supplementary to the question put by the hon. member for Leeds-Grenville and it is to the Solicitor General. I wonder if the Solicitor General has had an opportunity to discuss with the chairman of the McDonald commission when we might expect an interim report of this ongoing commission.

**Hon. Allan Lawrence (Solicitor General and Minister of Consumer and Corporate Affairs):** Yes, Mr. Speaker, I have had the opportunity of a couple of occasions to speak to Mr. Justice McDonald. To be frank about it, there have been more answers than one. The answers I have received have not been entirely clarified. The problem simply is that the McDonald commission construes its terms of reference and mandate as being rather ongoing.

I hope to have a further conversation about this with the chairman of the commission as soon as possible—as a matter of fact, hopefully within the next seven days—and I will be very glad to report to the hon. member and perhaps to the members of this House at that time as a result of that discussion.

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#### THE CANADIAN ECONOMY

##### ACTION TO SOLVE PROBLEM OF HIGH INTEREST RATES

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I have a question for the Minister of Finance. I want to ask him how the government could present a throne speech yesterday indicating its commitment is to growth, confidence and jobs, while on the very same day it permitted interest rate increases

by the Bank of Canada which even business spokesmen say weakened growth and confidence and hurt employment.

Does this contradiction not show that the new government does not know where it is going, especially since the governor of the Bank himself admitted that current interest rates are causing problems for individuals and for business? I want the minister to tell us now, because he has an obligation to answer in the House of Commons, what the new government is doing to solve these problems the minister has allowed to arise for individual workers and for business in Canada.

**Mr. Speaker:** Order.

**Hon. John C. Crosbie (Minister of Finance):** Mr. Speaker, the difference between our policy and that of the government of the hon. gentleman is that we have not slavishly followed U.S. interest rates. Quite frankly, hon. gentlemen opposite left us with a deficit this year of at least \$7 billion, which is the present forecast, and that does not leave us much room to manoeuvre. There is a budgetary deficit of \$11 billion. Despite these factors, we believe our policies in the longer term will get this country working again.

##### STEPS TO REDUCE INFLATION

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, I would like to ask a question of the Minister of Finance. Can he explain to the House why he has discarded the policy enunciated by his Prime Minister during the campaign, that after the election, if he was elected, he would not rely any more on monetary policy but solve the problem of inflation through fiscal and budgetary policies?

**Hon. John C. Crosbie (Minister of Finance):** Mr. Speaker, our position is exactly that. It is not only monetary policy but also our fiscal and budgetary policies and our stopping the scandalous expansion of expenditures and the huge deficits of the hon. gentleman which will bring about a solution in the next year.

**Mr. Chrétien:** Mr. Speaker, can the minister explain to the House why last March he and his colleagues were calling for a budget, why so far they have not been able to find any new policy better than mine, and why they have carried on for 13 months with the same budget?

**Some hon. Members:** Oh, oh!

**Mr. Crosbie:** Mr. Speaker, I admire the hon. gentleman's spirit.

**Some hon. Members:** Oh, oh!

**Mr. Speaker:** Order. The hon. member for Winnipeg-Fort Garry.