Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have listened carefully, perhaps pensively, as the hon. member says, to the words of the President, both in public and private, and I have had discussions with Secretary of the Treasury Regan and, as a result, I have absolutely no intention of changing the fiscal stance of the Canadian government.

Mr. Stevens: Madam Speaker, again I direct a question to the Minister of Finance who has indicated, I think very clearly, which end of the baby he prefers.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stevens: Perhaps he could indicate to the House why he feels it is satisfactory to have roughly a 14 per cent per year spending increase in Canada, at a time when the United States is attempting to get its spending increases at the federal level down to 6 per cent. Would he at least tell us what significant insight he has that would indicate his 14 per cent is satisfactory, when clearly the Americans have seen the error of their ways and are going to get down to something that is looked upon as a more responsible, or to use the President's word, sensible level of 6 per cent?

Mr. MacEachen: Madam Speaker, the hon. member will realize that the projected rate of growth for government expenditures in Canada for 1981-82 is 12.8 per cent, and the projection is to reduce that rate of growth until it reaches 10 per cent in 1983-84.

I believe that is a responsible and gradualistic approach which I have defended frequently in this House. I believe that if this government projected a rate of increase of expenditures for 1981-82, the results would be extremely disruptive and harmful to large segments of the Canadian population, and that is why I have opted for a gradualist approach in reducing the rate of growth in expenditures, in reducing the deficit and fiscal requirements.

The alternative, it seems to me, is to undertake the kind of disruption that I would not recommend either to my colleagues or to the House of Commons, nor would I attempt to defend it before the Canadian people.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

ENERGY

REQUEST FOR AGREEMENT WITH QUEBEC RESPECTING CONVERSION OF THE USE OF ELECTRICITY

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In a document dated February 11 and entitled "Information, Corporation of Master Electricians of the Province of Quebec", mention is made of the proposed grants for converting to electricity, but there is a warning. It states that the practical application of the federal project should of course be compatible with the Quebec government energy policy. Besides that statement it is also reported that according to reliable sources the project will not be implemented before 1982. I would like to ask the minister if indeed that statement is true or, if not, whether he can say when the project will come on stream and what are the terms of the agreement with the Quebec government.

Hon. Marc Lalonde (Minister of Energy, Mines and Resources): Madam Speaker, I must reaffirm to the House and the Quebec public that the program has been in force since October 28 last and that all conversions to natural gas will be eligible for the $800 grant announced in the budget. As for switching to electricity, I have had very recent discussions with my Quebec colleague and we expect to reach agreement in the coming days. Quebecers converting to electricity would also be eligible for a similar grant of at least $800 under the agreement, provided that the people who make the switch isolate their homes and also keep their old system, oil heating for instance, so they may in time switch to gas should gas become available. Bearing in mind those two conditions, Quebec government officials told me they would accept conversions to electricity.

* * *

[*English*]

INTERNATIONAL JOINT COMMISSION

APPOINTMENTS TO FILL VACANCIES

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is to the Right Hon. Prime Minister. As he well knows, the International Joint Commission has served as a valuable tool for the maintenance of good Canada-U.S. relations in boundary water pollution problems. Indeed, it was the IJC that lent weight to Canada's opposition to the Garrison diversion during the 1970s. Did the Prime Minister learn from his discussions in the last couple of days when the President intends to appoint the three American representatives to the commission, and could he tell us when his government intends to fill the two Canadian vacancies on the commission? I would remind him that the IJC cannot function until these positions are filled.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. member is correct, the IJC cannot function until it can sit with four members, which means there has to be at least one member on the other side and three on the first side. The prerequisite is failing in the United States, and we still have some vacancies on the Canadian side, too. We did discuss this matter, and we both indicated our intention to fill these positions very soon.