

THE BUDGET

TRANSFER PAYMENTS TO PROVINCES—PROJECTED SAVINGS

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of Finance. The minister's budget of October 28 stated that the government plans to realize net savings in transfer payments to the provinces in areas coming under their jurisdiction. Will the minister inform the House whether the net savings will be achieved by cuts in hospital insurance, medicare and post-secondary education funding, or will the savings be borne entirely by the education portion of the government's established programs financing?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, it is true that in the budget statement I indicated that we wanted to achieve significant savings in the large transfers from the federal treasury to the provinces. We have not yet commenced negotiations with the provinces and it is not possible at this stage to say in what area these savings might be achieved. That is the state of play at the present time.

Mr. McMillan: Madam Speaker, my supplementary question is directed to the Minister of Finance. He has indicated there will be negotiations with the provinces on the established programs financing scheme. Given that answer, may I ask the Minister of Finance, if the federal government does decide to reduce substantially support for post-secondary education across the country, would the government consider itself bound, either legally or morally, to give notice to the provinces and, if so, how much notice would the government consider appropriate to give?

Mr. MacEachen: Madam Speaker, quite apart from this particular question relating to one aspect of the transfers, I think the hon. member is aware that there is an expiry date for these agreements, and that if not renewed they terminate. It is because, as I understand it, the expiry date is in 1982 that we are now beginning to prepare within the government to undertake discussions soon with the provinces with a view to concluding a new agreement. I have not speculated upon the outcome of the situation in which we would find ourselves if agreements were terminated and no new agreement was put in place or no new understanding reached with the provinces. I have not examined that.

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COMMUNICATIONS

AM RADIO TRANSMISSION—PROPOSED CHANGE IN DIAL POSITIONS

Mr. Laverne Lewycky (Dauphin): Madam Speaker, my question is for the Minister of Communications. The possibility now exists that Canadian AM radio stations may be soon forced to change their dial positions, a move which would benefit the United States and perhaps some Latin and South American countries, but would only hurt Canadians as it will

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decrease the quality of AM radio reception. Most of the new frequencies will be gobbled up by new northern U.S. stations, and at the same time would cost us millions of dollars. Could the minister inform this House whether the cabinet has decided on a position with regard to a change in the AM dial positions?

• (1450)

Hon. Francis Fox (Secretary of State and Minister of Communications): Madam Speaker, we are addressing this question very closely at the moment. The traditional position of the Government of Canada has been that we were quite favourable to maintaining the spacing of ten kilohertz, and the U.S. position of asking us to move to nine kilohertz is one we would resist. I have received a number of representations from members of Parliament and from broadcasters across the country and we are aware of their concerns. Up to this time there has been no change in the basic position of the federal government that we support the ten kilohertz spacing.

RENEGOTIATION OF INTERNATIONAL BROADCASTING AGREEMENT

Mr. Laverne Lewycky (Dauphin): Madam Speaker, I should like to direct my supplementary question to the Secretary of State for External Affairs or, in his absence, to the acting minister. The present international broadcasting agreement will be renegotiated in November, 1981 in Rio de Janeiro. The consensus of the nations at that particular conference with regard to the frequency changes will carry the day. Would the minister inform the House if his department has any plans for assuming leadership among the nations in opposing this change in AM radio frequencies for the benefit of Canadian broadcasters and listeners?

Hon. Mark MacGuigan (Secretary of State for External Affairs): Madam Speaker, I will take that question as notice and get back to my hon. friend.

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MUNICIPAL AFFAIRS

STATUS OF COMMUNITY SERVICES CONTRIBUTION PROGRAM

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is for the minister responsible for the Canada Mortgage and Housing Corporation. On January 16 the minister announced that Quebec City will be receiving a new federal contribution granted under the community services contribution program for Quebec's professional hockey team arena. That grant was for \$4.5 million. My question on behalf of the municipalities of Canada is this: Is the community services contribution program cancelled or is it not?

Hon. Paul J. Cosgrove (Minister of Public Works): Madam Speaker, I am surprised that the hon. member would not recall the statement made when I announced that the 1980 program will not be continued and that some \$400 million will be