

ously denying Canadians the right to rail service, such as the Toronto-Peterborough-Havelock line.

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### PIPELINES

#### THREAT TO COMPLETION OF ALASKA HIGHWAY NATURAL GAS PIPELINE

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, Members of Parliament will recall some three years ago granting authority for the pre-build section of the Alaska Highway natural gas pipeline, that part designed to exploit Canadian gas reserves for the benefit of American markets, on condition that the line would be constructed in its entirety at some future date. Members will remember the so-called iron clad guarantees of the then Minister of Energy, Mines and Resources, the gentleman who now holds the portfolio of Minister of Finance (Mr. Lalonde). Well, it now appears that the line, in all probability, will never be built.

Yukon Pacific Corporation, headed by Walter Hickel, former Governor of Alaska, has now formally applied for permission to construct a trans-Alaska line to sell Prudhoe Bay gas to Japan. The end result is likely to be that Canada supplies the "lower 48" with cheap Canadian gas, while the Americans sell their own Alaskan gas to Japan at much higher prices. So much for the iron-clad guarantees, so much for the national energy policy, and so much for the guideless ex-Minister of Energy and the discredited Liberal Government which he serves.

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● (1415)

### MEDICAL CARE

#### HEALTH CARE IN ALBERTA—CONSIDERATION OF PRIVATE SECTOR ADMINISTRATION

**Mr. Bill Blaikie (Winnipeg-Birds Hill):** Mr. Speaker, I rise today to express concern about recent developments in Alberta. We have learned that the Progressive Conservative Government of Alberta is considering contracting out the administration of health care in that province to the private sector.

We have just gone through a process where we had a national consensus in favour of all principles of medicare. In the interests of that consensus, and in the interests of the future of medicare, I call on my Progressive Conservative colleagues to the right to condemn what their buddies in the Alberta Government are contemplating with respect to the future of medicare. Let us hear from the Leader of the Opposition (Mr. Mulroney), and from the Tory health critic, that they do not want to see the privatization of health care in Alberta. Then we will be able to believe them and what they had to say about the Canada Health Act and the future of medicare. Or is this a portent of the kinds of things we will see if and when we have a Conservative Government in Canada?

### Oral Questions

## ORAL QUESTION PERIOD

[English]

### FINANCE

#### INTEREST RATE LEVELS—PRIME MINISTER'S STATEMENTS

**Hon. John C. Crosbie (St. John's West):** Mr. Speaker, my question is directed to the Prime Minister. On February 10, 1980, he said, as reported in *The Toronto Star*, that it was his belief we could manage the economy in a way which would allow us to have lower interest rates, and that he thought "we can have greater independence in interest rate policy". Since then the prime rate went to 22.75 per cent. It was later down to 11 per cent, and it has started back up. It is now 12 per cent.

Last week, on May 10, the Prime Minister stated "that when the basic rate in the U.S. goes up it is impossible for Canadian rates not go up . . . we cannot divorce ourselves from the American money markets."

Which statement of the Prime Minister is the true and correct one—his election bait statement, or the latest one? What has happened to change the Prime Minister's mind about Canada having greater independence in interest rate policy? Why is there this about-face in the last four years?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I explained last week in answer to questions, I believe from the Hon. Member's Party and members of the other Party, that the reason we cannot be completely isolated from the United States is that we have a free money market in Canada, as there is in the United States. If Canadian people who save their money want to obtain a market rate and the market rate goes up, they will obviously lend their money for higher interest rates. What I was explaining—and I will explain it again to the Hon. Member; he may not have been listening—is that there is no way without controls that the Government can force Canadians to lend their money to the Canadian Government, or to other Canadians, at a lower rate of interest than they could obtain in the United States.

What would a Canadian saver, to whom we would say: "Be a nice fellow. The Member from Newfoundland would love you more if you were prepared to lend your hard-earned savings at 8 per cent rather than at 10 per cent or 12 per cent", say to the Hon. Member from St. John's, Newfoundland? He would say: "Why shouldn't I lend my money for the market rate? If you in Canada do not want to borrow my money—your banks, or your Government through your savings bonds—at the going rate, I will go to the United States, lend my money there, and get more money for it".

In simple terms, or in terms the Hon. Member can understand—and I see that he is nodding in assent, he understood this—this is why it is impossible, without controls, to be completely independent of American money markets. I know the Hon. Member would not want us to go to controls, therefore that is my answer.