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believe that everybody should be allowed to live in peace in the Middle East. You may add in secure boundaries and you may add everything you want, but I must say, Madam, that the Palestinians also have a right to live in the Middle East.

Some hon. Members: Hear, hear!

Mr. Prud'homme: I am willing to say that the time has come when we should not only send a letter of protest to the Government of Israel for the incident that took place at our embassy and the search of our ambassador's car, but that perhaps the time has come to call our ambassador back from Israel for consultation. That is number one.

Number two, I believe that we should leave to Ambassador Arcand the decision on whether to withdraw from west Beirut for security reasons. He is one of the last ambassadors of the western world, if my information is correct, to carry a flag inside west Beirut, and that is the Canadian flag. That is why my colleague so rightly stood up to say that we are with him in these difficult times in showing the flag of Canada in a very hazardous place indeed.

I should like to add that if we truly believe, as many people in this country do, that we are friends of the state of Israel, that the best way to address ourselves to the important problem is to address the question of what is making things so difficult over there, and that is, what to do in regard to the Palestinians. It is not a question of absolutely taking sides; it is only a question of basic justice.

What is to be done with these people who are not recognized, who surely make a lot of noise, and who are known as the Palestinians, or the PLO? Is it not perhaps time to recognize them and ask people to put pressure on both sides so that they recognize each other's existence—

Some hon. Members: Hear, hear!

Mr. Prud'homme: —that the PLO recognize the state of Israel and that the state of Israel recognize that there is a group of people known as Palestinians who have a main spokesman? I am not going to waste the time of the House by saying that they are the only spokesmen, but they certainly are—

An hon. Member: Don't talk it out.

Mr. Prud'homme: The hon. member is very impatient. I will sit down, Madam Speaker, because I know some of my colleagues want to address the question. I will leave it to my colleague in another party to join in the debate.

Some hon. Members: Hear, hear!

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I simply wish to endorse what has been said today. I believe that the feelings of members of the House have been expressed. I should like to go on record as supporting the motion. I hope it passes.

Madam Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

ORAL QUESTION PERIOD

[English]

THE ECONOMY

HOWE INSTITUTE'S REPORT—QUERY RESPECTING GOVERNMENT POLICIES

Hon. Don Mazankowski (Vegreville): Madam Speaker, I should like to direct a question to the Minister of Finance. The C.D. Howe Institute in its latest report has condemned the federal government and has blamed Canada's economic ills on a decade of federal economic mismanagement. It has also dismissed the latest budget as ineffectual, particularly in restoring sagging business and investor confidence. I ask the Minister of Finance what new initiatives his government is considering to address this very central problem which is key to economic recovery and the creation of jobs? Or is the minister and his government simply going to rely upon the restraint program and the threat of imposition of mandatory controls?

• (1415)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I read a good part of the C.D. Howe Institute's report. I do not agree with a good part of it, but I doubt whether the hon. member has read it himself. He must be relying on newspaper reports which I think, at least in part, misrepresented that report. So if the hon. member will quote a bit more from the report, I would like to read a few quotes myself.

Mr. Mazankowski: Madam Speaker, I would be very glad to quote from it where it says:

The latest budget message is an abysmal stewardship report on the results of past economic policy for which the federal government must take responsibility ... This kind of leadership has placed Canada in a very serious economic predicament.

Some hon. Members: Hear, hear!

Mr. Mazankowski: Need I go any further, Madam Speaker?

REQUEST THAT GOVERNMENT WITHDRAW INTERVENTION IN ECONOMY

Hon. Don Mazankowski (Vegreville): Madam Speaker, it would appear, with the federal government prepared to intervene further in the economy and the marketplace, that