

*Adjournment Debate*

billion from Arab oil interests have been referred to him for his attention. I also asked him to give some indication about the troubles he has been having with the Secretary of State for External Affairs (Mr. MacEachen) concerning a certain loan to Cuba. To all these questions the minister's answer has been, "There are no problems".

I suggest that the Minister of Finance himself is the problem which this country must endure. Are there no difficulties concerning the loan to Cuba? If there are not, why did the Minister of Finance write a certain letter to the Secretary of State for External Affairs?

I have gone further and asked, if there are no problems, why did the Minister of Finance write the letter to the Prime Minister (Mr. Trudeau) which is mentioned in the current issue of the *Financial Post* dated January 25, 1975? The *Financial Post* carries an article, which says in part:

Turner won't talk about this, but it seems he has written a strong letter to Trudeau, making it clear either things change or he is leaving.

If there are no difficulties, why is he thinking of leaving? I suggest that there are difficulties. It is time the minister stopped drifting, stopped saying there are no problems and came clean with the Canadian public.

I hope that the parliamentary secretary in answering will tell the House about a letter sent by the Minister of Finance to the Prime Minister in which the minister indicated he is fed up about the appointment of a private economic advisory group which is to advise the Prime Minister. The House has the right to know if there is friction between the Prime Minister, the Minister of Finance and certain other cabinet colleagues. The Prime Minister, too, has the duty to tell the House exactly why he appointed such an economic advisory committee. Was that advisory group appointed for his own private benefit? Or was it done against the wishes of the Minister of Finance? The House is entitled to know the answers to these questions.

I sincerely hope the parliamentary secretary has come prepared to give, in the three short minutes available to him, a more detailed and candid reply to the questions I raised yesterday.

In statements later yesterday the Minister of State for Urban Affairs indicated that any Arab mortgage funds would be routed through the Minister of Finance. The Minister of State agreed it was the Minister of Finance who should be dealing with such a matter. The Minister of Finance at least owes it to this House to tell us whether funds were proposed to him. Did he have chats with the Minister of State for Urban Affairs, or has that minister simply gone on a wild goose chase of his own?

I see my time is almost up. I would again indicate that it is unfortunate for any Minister of Finance to evade, in the way this minister has done, the questions I put to him yesterday.

**Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance):** Madam Speaker, when the hon. member began his address I thought we were back in the election campaign. It was the same hashed up, tired old story we have been hearing from that party since two months before July 8. Further, the hon. member indicated that the Minister of Finance (Mr. Turner) is a problem. I suggest, with respect, that the Conservative party would love to

[Mr. Stevens.]

have such a problem on their side of the House. They are sadly looking for one to do that particular job.

There is one other small item. The situation around here, as I have seen it the past six years, is that rumours seem to begin in the corridor. It is seldom that a member uses the floor of this chamber to spread gossip. Now the gossip columnists are handing stories to the hon. member, and having him use the time of this House to spread that kind of bunk.

The federal government has received numerous offers of foreign funds over the past two years from a variety of sources. These offers have not been pursued for three reasons. First, it continues to be government policy to encourage Canadian borrowers to seek funds in the Canadian capital markets before borrowing from foreign sources. Second, the federal government has encountered no difficulty in borrowing in the domestic markets. Third, it has long been government policy to borrow abroad for exchange fund purposes only, and with foreign exchange reserves of about \$6 billion such borrowings are clearly unnecessary at this time. Cash balances are between \$4 billion and \$5 billion.

The minister last referred to the borrowing guidelines in a January, 1974, press release removing all other guidelines with respect to flow of funds into and out of Canada.

INDUSTRY—STEEL—REASON FOR RESTRICTIVE TERMS OF REFERENCE FOR JUDGE ESTEY'S INQUIRY INTO PRICES AND PROFITS

**Mr. Cyril Symes (Sault Ste. Marie):** Madam Speaker, on November 29 I directed a question to the Minister of Industry, Trade and Commerce (Mr. Gillespie) concerning the Estey steel profits inquiry. I directed subsequent questions to the minister and have not been satisfied with the answers. I wish to pursue the matter this evening.

Very briefly, it will be recalled that on May 15, 1974, at the beginning of the last federal election campaign, the steel companies announced further price increases. Recognizing the implications of steel price increases in the Canadian economy, and because of pressures of an election campaign and public concern, the government initiated a steel profits inquiry headed by Judge Estey who, it is interesting to note, was a registered member of the Liberal party before becoming a judge. Nevertheless, Judge Estey was given terms of reference to look into recent steel price increases to determine whether profiteering was taking place. His conclusion was that the margin of profit of the steel companies was not excessive. I challenge that conclusion.

I wish to deal briefly with some of the price increases.

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During 1973 the average price for all steel products marketed by the three large steel companies, Stelco, Dofasco and Algoma, rose by 10 per cent. During 1974 there were 12 price increases between January and October, and October was the month in which the report was concluded. These 12 price increases ranged anywhere from 7 per cent to 12 per cent on various steel products. Then in December, 1974 the Steel Company of Canada and Algoma Steel announced further price increases on various prod-