

revenue-generating proposition which is self-liquidating, yet the minister saw fit to withdraw that program.

Mr. Pepin: Madam Speaker, there will be an opportunity in a few minutes to talk about that specifically because my estimates are before the committee this afternoon. Edmonton has been well treated.

Some hon. Members: Oh, oh!

Mr. Pepin: We will get the figures in a few minutes. Edmonton has three airports. The international airport has been growing; substantial amounts of money have been spent on it. The municipal one is thriving and efforts are being made to assist the Villeneuve airport.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF STATE FOR MALAWI

Madam Speaker: I would like to draw the attention of the House to the presence in the gallery of the Hon. Bakili Muluzi, Minister of State for Malawi.

Some hon. Members: Hear, hear!

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GOVERNMENT EXPENDITURES

ARMAMENTS—SOCIAL PROGRAMS—GOVERNMENT POSITION ON PRIORITY

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is for the Minister of Finance. The budget announced that Canada will increase its defence spending by 3 per cent in real terms, which represents an increase of \$649 million over and above the effects of inflation during the next three years. At the same time, expenditures in the social affairs envelope will fall \$1.4 billion behind the projected increases in the CPI; dollars that could and should go to social programs will be spent on expensive armaments. Is it the government's position that over the next three years spending for guns and weapons of war will have a greater priority than spending on programs which will help people very much in need of assistance?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the government expenditure plan has provided for a real growth in defence expenditures over the next several years in accordance with the commitments which it has made to its allies and in accordance with the desirability of maintaining Canadian defence capabilities. I believe that decision is widely accepted in Canada. It does not represent in any way a change in or a downgrading of our priorities in the social field. The fact is that expenditures on social development remain a basic priority, constitute the largest single element in our budget and have

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increased over the past ten years by 300 per cent. I think the hon. member ought to keep those figures in mind as well.

● (1440)

Mr. Sargeant: Madam Speaker, this morning the Canadian Council on Social Development reported that this government's budget will have a severe negative impact on the cost of living of lower income Canadians and that it will push both unemployment and inflation higher. Further, in light of the fact that four of our NATO allies, West Germany, Belgium, The Netherlands and Denmark, have all announced that they will restrain their defence spending rather than increase it by 3 per cent, will the minister give an undertaking to this House that he will review our country's commitment in this area with regard to seeing whether we too, like our European allies, can restrain our defence spending in order that social programs will not suffer?

Mr. MacEachen: No, Madam Speaker, it is not my intention to review the commitment we have made to essential defence expenditure. I would be inclined to review that commitment if the hon. member could show that there is any downgrading of our commitment to social development. That is not the case. It still remains a basic priority, and each year there is an annual increase in the total amount spent on social development.

The hon. member talked about inflation. That is, of course, an important consideration, but the universal programs in the social development category, as was pointed out by the Minister of National Health and Welfare, are fully indexed against inflation, which adds substantially to the total cost of these programs.

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EXTERNAL AFFAIRS

RELATIONSHIP BETWEEN CANADA AND NEW ADMINISTRATION IN UNITED STATES

Mr. Gilbert Parent (Welland): Madam Speaker, my question is directed to the Prime Minister. There has been a great deal of speculation in the media in the last few days since the presidential election in the United States regarding the future relationship between Canada and the United States. In view of the fact that this is the fifth U.S. president to be elected since the Prime Minister has been in power, could he indicate to this House what he anticipates will be the relationship with our largest trading partner?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker—

Mr. Paproski: Take it easy now.

Mr. Trudeau: Madam Speaker, I am not sure why the opposition is nervous. This is a perfectly legitimate question. I suppose hon. members opposite are frustrated that they have not thought of asking the question themselves. I can assure