

## RATE OF INFLATION

**Mr. Bill Clarke (Vancouver Quadra):** Mr. Speaker, I would like to ask the Minister of Finance how he can predict an inflation rate of 7 per cent when the Statistics Canada general wholesale index shows the February over January percentage change to be 1.2 per cent for just one of the 12 months of the year.

[Translation]

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, when these statistics were published I stated that certain increases had occurred in March as a result of higher oil prices but that we had forecast a larger increase for March than for February. We have not changed our predictions for the full year because we had already predicted that we would have a problem in March.

[English]

**Mr. Clarke:** Would the minister now reconsider reducing the rate of expansion being practised by the Bank of Canada?

[Translation]

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, the expansion rate of the money supply fluctuates between 7 and 11 per cent. It has been considerably reduced during the past two years. I think that rate can accommodate 5 per cent of the economic growth in addition to the inflation we have predicted.

\* \* \*

[English]

## PIPELINES

## ALASKA HIGHWAY PIPELINE—EXTENSION OF NORTHERN RAIL LINE

**Mr. Stuart Leggatt (New Westminster):** Mr. Speaker, my question is directed to the Deputy Prime Minister in his capacity as minister responsible for the Alaska Highway pipeline. Can the Deputy Prime Minister advise whether he has been officially approached by the government of British Columbia with respect to the extension of the rail line from Fort Nelson?

I understand that the Premier of British Columbia announced that he would have a decision within six weeks and that he had made an official request for federal government assistance to continue the operation and development of this northern rail line. Would the Deputy Prime Minister advise whether such a request has been made and, if a request has been made, would he advise us of the amount requested of the federal government?

**Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council):** Mr. Speaker, I had a meeting on Friday last with two members of the government of British Columbia, the purpose of which was to discuss the elements of an agreement which might be entered into between the Gov-

## Oral Questions

ernment of Canada and the government of British Columbia in connection with the enforcement of the non-discriminatory features of the pipeline agreement.

A number of proposals were made by the members of the government of British Columbia. We intend to have further meetings. It is not my intention—at least without direct consultation with the government of British Columbia—to disclose the contents of their proposals at this stage.

**Mr. Leggatt:** Mr. Speaker, with regard to the decision in the original Alaska Highway treaty, was there any request by the government of British Columbia, when the federal government was negotiating with the United States regarding the B.C. section of the Alaska Highway pipeline, for some form of transportation assistance to the province of British Columbia prior to the signing of the final treaty? Was there any request made by the province of British Columbia for that purpose?

**Mr. MacEachen:** Mr. Speaker, before we entered into the agreement with the United States we had discussions with the government of British Columbia. If my hon. friend will look at the agreement, he will find that there are addenda there relating to the commitments undertaken by the various provincial governments with respect to the principle of non-discrimination. The condition, or the qualification entered by the government of British Columbia had to do with how, as I recollect it, its proposals were subsequently to be dealt with.

So it is a fact that prior to the agreement, the government of British Columbia did make known to us in a general way, as I recall, its views on what agreement ought to be entered into with Canada.

**Mr. Leggatt:** Mr. Speaker, can the Deputy Prime Minister at this point advise the House whether there will be some form of assistance forthcoming with regard to this very serious problem in northern British Columbia? Will there be some assistance, perhaps less than that requested? Can the minister at least give us a commitment that there will be federal help for that rail line, in view of the fact that it is going to be carrying pipe up to that pipeline and will form a very key and necessary part of the construction? Is there some feeling of federal responsibility in this regard now?

● (1422)

**Mr. MacEachen:** If any transportation system is required by the pipeline in order to undertake the project, then of course it is possible to consider charging the pipeline company directly for that type of requirement. But it has to be an installation that is required by the company in order to build the pipeline, and would thereby be a direct charge on the pipeline and eventually included in the cost of the service to the consumers. But one would have to look at each particular expenditure on transportation in relation to the logistical plan of the company to know whether it could constitute a direct charge.