

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER AND MEMBERS OF
NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of the Hon. Don Stewart, who is the Speaker of the House of the Northwest Territories.

Some Hon. Members: Hear, hear!

Madam Speaker: He is accompanied today by the Hon. Arnold McCallum, Minister of Economic Development and Tourism, the Hon. James Wah-Shee, Minister of Local Government, and some members of the Legislative Assembly.

Some Hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

ISRAEL BONDS PROMOTION CAMPAIGN

Mr. Ian Watson (Châteauguay): Madam Speaker, I have a question for the Prime Minister.

Mr. Nielsen: Of which you have given him notice.

Mr. Watson: As the Prime Minister is aware, General Sharon is the former Israeli Defence Minister who possessed ultimate responsibility for Israel's obligation under the terms of the Geneva Convention to protect the inhabitants of occupied territories, the man whom an Israeli commission has labelled as having responsibility for the massacre of unarmed, innocent civilians, estimated independently as amounting to more than 2,500 men, women and children. This brave Israeli General will be at the Ritz-Carleton in Montreal tonight to sell Israel bonds.

Leaving aside the disgraceful lack of sensitivity of the organizations which invited Sharon to Canada, I wonder if the Prime Minister might care to offer any advice to those Canadians who may be thinking of purchasing Israel bonds which, in the light of present Israeli settlement policies on the West Bank, are a wonderful investment in world instability and Middle East disorder.

Mr. Hnatyshyn: Refer them to Jim Fleming.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is asking me for advice. I am afraid that, concerning this question of the Middle East, I would not be able to offer advice just at this particular point which would be satisfactory to both sides.

Some Hon. Members: Oh, oh!

Mr. McKinnon: That has been the answer for 2,000 years.

Oral Questions

FINANCE

WILLIAMSBURG SUMMIT COMMUNIQUÉ ON REDUCING
GOVERNMENT DEFICITS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Minister of Finance. The Minister represented Canada at the Williamsburg Summit where Canada and six other nations issued a joint communique which committed them to reducing budget deficits in order to reduce interest rates, and also to constrain Government spending. We welcome that, of course, because that is the position of the Conservative Party. However, can the Minister explain how he intends to carry out his Summit commitment when his own deficit will increase by 50 per cent this year over the last year's published estimates, and when his own Government expenditures are increasing at twice the rate of inflation?

Mr. Fisher: Same question as yesterday, word for word.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I thank God the leaders of other countries have more foresight than the Conservative Party in Canada. None of the countries concerned is talking in terms of immediate reduction of their deficits. They have all agreed that, whether it is in the United States, or Canada, or other countries, this action would take time and would have to be done on a gradual basis in the medium term. Therefore there was unanimous agreement that we should take steps to reduce the Government deficits and, as the communique states, particularly through control of Government expenditures.

I indicated in my budget of April 19, a copy of which I will be very happy to send to the hon. lady, that the Government of Canada has indeed forecasted that the growth of Government expenditures would not exceed the trend growth of the GNP over the next few years. Therefore the Government deficit would gradually and steadily decline in proportion to GNP over the next four years. We will continue to address this issue seriously, but responsibly, and not in a savage way at the expense of the people in this country who need help and support at the present time.

GOVERNMENT POLICY

Miss Pat Carney (Vancouver Centre): My supplementary question is also directed to the Minister of Finance. I find his words to be inconsistent with the track record of the Government, which has managed to double the accumulated net debt in the last three years, and plans to double it again in the next three.

Some Hon. Members: Hear, hear!

Miss Carney: Speaking for Canada, the Minister of Finance told the U.S. that it must reduce its budgetary deficit of about \$200 billion in order to reduce interest rates. He warned that continuing high rates of interest could choke off economic recovery. Of course this is what we have been saying about his own budget deficit. Why is the Minister urging the U.S. to