

Athabasca a further supplementary. After that I will recognize the hon. member for Don Valley.

OIL EXPORT TAX—AVAILABILITY TO PROVINCES OF PROCEEDS TO BE USED FOR DEVELOPMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my supplementary is to the Minister of Energy, Mines and Resources. As the minister indicated the tax will most likely be given to the national petroleum corporation, does this mean the corporation will be restricted to this field of activity in Alberta and to some extent Saskatchewan, or how will he ensure that this money will indeed go to those provinces if given to that corporation?

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, these funds will be available, probably through that corporation or other federal entities, for that purpose in those provinces. Of course, there will be substantial additional funds available to the corporation for its operations elsewhere.

* * *

THE CANADIAN ECONOMY

INFLATION—POSSIBILITY OF FURTHER ACTION IN TERMS OF MONETARY, FISCAL AND EXCHANGE POLICIES TO EXERCISE CONTROL

Mr. James Gillies (Don Valley): Mr. Speaker, my question is for the Minister of Finance. It is really to get clarification of some of the answers the minister has given in the past few days. Is it the position of the government at the present time that nothing can be done to ameliorate the rapid rate of inflation we are experiencing in the country through adjustments in monetary exchange and fiscal policies, which have been the traditional tools for dealing with this problem?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker.

Mr. Gillies: If that is the case, can the minister please explain to the House why the government is not doing something to ameliorate inflation through adjustments in the monetary, fiscal and exchange rate policies?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I have tried to explain to the hon. member on several occasions. It is.

Mr. Gillies: If that is the case, given the fact we have so much uncertainty in Canada's economy at the present time, as represented by the changes in stock market prices and new forecasts going on all over the country, will the minister undertake to make a statement in the House before the recess indicating what in fact the monetary, fiscal and exchange policies of this country are at the present time?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, if there is an appropriate opportunity I will be pleased to do that in the House. The hon. member can look at past debates. He has had an accounting on a regular basis when opportuni-

Oral Questions

ties in the House allowed. He just has to read those speeches again.

POSITION OF MINISTER RESPECTING GROWTH

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is for the Minister of Finance. In view of forecasts of most western nations that economic activity will be reduced, is the minister still confident the Canadian economy will continue to grow at his previous forecast rate in view of the petroleum shortage?

● (1430)

Hon. John N. Turner (Minister of Finance): Mr. Speaker, it would appear that the potential energy shortage may have some negative effect not only on the growth of the Canadian economy but also on other major industrial economies, but at the moment there is no way of knowing the extent of the effect because there is no way of predicting in economic terms what the extent of the shortfall will be. The threat to the economy should not be minimized but, on the other hand, it should not be exaggerated, because the situation is still volatile. I have already said, and I repeat, that conservation directed toward the use of petroleum by individuals and by industry could be practised in such a way as to minimize the effect on the economy. I repeat that the underlying strength of the economy is still good, based on the potential of very heavy capital investment.

Mr. Ritchie: Mr. Speaker, can the minister identify any sectors that might be adversely affected?

* * *

INDUSTRY

CANADA-UNITED STATES AUTO PACT—REASONS FOR CANADIAN DEFICIT—INVESTMENT BY COMPANIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Considering that the deficit reported yesterday in Canada-United States auto trade amounted to \$129 million, representing a turn around over the same period from last year of over \$300 million in favour of the United States, can the minister inform the House what reasons his department has found for this deficit and what he intends to do to correct it?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Yesterday my parliamentary secretary answered a somewhat similar question, pointing out that the main reason was the unprecedented growth of demand in Canada, something like 31 per cent over the same period a year ago compared with a growth figure of 16 per cent in the United States. A secondary reason is that there has been a particularly heavy growth in the sale of commercial vehicles in Canada.

Mr. Broadbent: In view of the fact that this increase in Canadian demand for North American cars should be reflected in the purchase of cars produced in Canada rather than in the United States, the minister's answer