

into account. Certainly, we believe the kind of proportionality involved in the first offer is as valid today as it was then, but there may be some changes.

My honourable friend will also realize, of course, that that offer was made because there had been no drawdown and there would not be for some time with respect to the offer that was made.

• (1440)

Senator Donahoe: Having discovered that "unalterable" does not necessarily mean "unalterable" and that certain aspects of this agreement are, because of changed conditions, to be subjected to change, is the government determined—no matter what else it may change—to insist on holding Chrysler to the fulfilment of all of the investment commitments contained in the loan guarantee agreement?

Senator Olson: Honourable senators, I do not believe I can add very much to what I have already said. I probably answered the question before the honourable senator asked it.

THE ECONOMY

IMPORTATION OF AUTOMOTIVE PARTS—TRADE DEFICIT

Hon. Peter Bosa: Honourable senators, could the Minister of Economic Development tell us why there has been a drop in vehicle parts imports which has resulted in the narrowing of Canada's auto trade deficit with the United States by as much as \$761 million in the first seven months of 1980?

Hon. H. A. Olson (Minister of State for Economic Development): I thank the honourable senator for giving me notice that he intended to ask a question of this nature.

It is true that the trade deficit for the first eleven months of 1980 has decreased by approximately \$800 million or perhaps some \$700 million. I am informed that one of the reasons for this improved trade picture relates to the kind of automobiles Canadians are now producing. Our manufacturers are concentrating more on producing trucks and passenger cars. These vehicles are more adaptable to the U.S. market, as the increase in the surplus of trade illustrates. In fact, our overall assembled vehicle surplus stood at \$557.4 million for the first eleven months. Of course, the depressed state of the U.S. market has meant that our total trade with them has declined from \$23 billion to about \$19 billion, so that the U.S. has undergone cutbacks in their production resulting in fewer of their cars being exported. Although it is difficult to predict, this trend seems to be continuing. The decrease in our auto trade deficit for the 12 months of 1980 could reach about \$1 billion.

THE CONSTITUTION

MINORITY GROUPS—SUPPORT OF GOVERNMENT AMENDMENTS TO PROPOSED RESOLUTION

Hon. Peter Bosa: Is the Leader of the Government aware of the enthusiastic support with which the constitutional amendments have been received by the minority groups with respect

to the inclusion in those amendments of a reference to multiculturalism?

Some Hon. Senators: Hear, hear.

Hon. Raymond J. Perrault (Leader of the Government): A number of representations have been received from people in minority groups indicating their great enthusiasm for the changes.

The honourable senator may have received other messages which he may wish to communicate to the Senate concerning the enthusiastic support coming from the multicultural community.

Senator Bosa: Perhaps I will mention them in my next speech.

INDUSTRY

GOVERNMENT POLICY RE AUTOMOTIVE MANUFACTURERS

Hon. Richard A. Donahoe: Honourable senators, I have a supplementary question which I had hoped to address to the Minister of State for Economic Development following my earlier questions but, unfortunately, Senator Bosa intervened.

Is it the government's view that in making concessions to Ford last week it has placed itself in a position of having to reconsider the terms which it extracted from Chrysler in exchange for the loan guarantees given to that company?

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, I will take that part of the question as notice and refer it to the minister directly responsible.

As I tried to explain—and I probably answered the question before it was asked—when there is a very significant change in certain conditions, this government is flexible and intelligent enough to recognize that those changes exist and must at least be looked at. No decision has been made as to what amendments may be made.

I believe it would be better if I answered the question after we know whether the United States Loan Board and Chrysler Corporation International are going to change some of the terms or conditions.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

EDUCATION OF INDIANS IN SASKATCHEWAN AND MANITOBA—REPORTS OF AUDIT SERVICES BUREAU

Hon. Nathan Nurgitz: Honourable senators, I have a question for the Leader of the Government in the Senate. In December a newspaper article appeared dealing with a report prepared by the government's Audit Services Bureau which, I understand, is a branch of the Department of Supply and Services. The Audit Services Bureau produced a scathing report against the Department of Indian Affairs, dealing with Indian education in the province of Saskatchewan.

I understand further that a report in almost identical form is about to be brought down in connection with the province of