

*Oral Questions***CANADA POST CORPORATION**

HIRING OF SUMMER STUDENTS AT MISSISSAUGA, ONT.

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The Government of Canada is spending thousands of dollars encouraging people to hire students this summer. We received a letter from the Minister of Employment and Immigration urging Members of Parliament to encourage people to hire students. Will the minister explain to the House why Canada Post, a Crown corporation, hired 130 students for summer work at Gateway facilities in Mississauga and then, four days before they were to start, informed 90 of them by letter that there would be no jobs for them?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I will inquire, Madam Speaker, and report to the hon. member.

REQUEST THAT MINISTER ASSIST STUDENTS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, the final sentence in the letter reads "I wish you luck in obtaining alternate summer employment". All of these young people need money to continue their education. Does the minister think that these people, who felt they had secure summer jobs, will be able to find summer employment elsewhere? What is the minister prepared to do to help these young people find other employment?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, the hon. member should know that we turned the postal operation from a department into a Crown corporation. I will bring to the attention of the president of the corporation the view of the hon. member, and I will report the answer to him.

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REGIONAL ECONOMIC EXPANSION

BRITISH COLUMBIA COAL DEVELOPMENT—TRANSFER OF CONTROL TO JAPANESE CONSORTIUM

Mr. Jim Fulton (Skeena): Madam Speaker, in the absence of the Minister of Industry, Trade and Commerce I will direct my question to the Prime Minister. I cannot help but paraphrase Winston Churchill a little bit on this day, "Never has so much been owed by so many to so few for so little".

● (1420)

The Prime Minister knows that a deal was struck late last week to transfer effective majority control of the northeast coal project in British Columbia to a Japanese consortium of 12 companies led by Tokyo Boeki and Mitsui with 38 per cent, and leaving Denison Mines of Toronto with only 30 per cent. This \$900 million deal may have a greater long-term impact on the Canadian economy than will tonight's budget, as the Prime Minister knows.

Has the Prime Minister or any of his ministers referred this matter to the Foreign Investment Review Agency, or is it the Prime Minister's new policy that foreign firms can be both the buyer and the seller of Canadian resources? And, if so, does the Prime Minister not understand that the seller will sell at the lowest possible price, costing Canadian taxpayers several hundred million dollars over the next 15 years?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, most of the hon. member's question was by way of representation and argument. As far as the question on FIRA is concerned, I will take notice of it and inquire.

EXPORT PRICE OF COAL

Mr. Jim Fulton (Skeena): My supplementary, Madam Speaker, is directed to the Minister of Transport, who has a great deal of knowledge about the northeast coal deal. As he knows, the taxpayers are subsidizing this deal so far to the tune of about \$750 million and have a right to a return on that very sizeable investment. The original contract, as the minister knows, provides for a return from a base rate of \$95 per tonne, and all of the government contracts, federal and provincial, have been based backwards from that \$95 per tonne figure. If on Friday the federal government allowed the Japanese consortium to take majority control of Quintette, as was agreed last week, what is to stop them, once they control and manage the project, from lowering the base rate per tonne?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the base rate throughput per tonne in the Port of Prince Rupert was the object of intensive negotiation. The price obtained at the time was considered to be the best possible price. Is the price that the coal mines got from the Japanese the best possible price, or is it influenced by negotiations between the coal mines in Canada and the Japanese purchasers—that is another subject. At the time of the discussion of the throughput rate in the Port of Prince Rupert, the impression was that the coal mines had negotiated the best possible price.

RETURN ON PUBLIC INVESTMENT

Mr. Jim Fulton (Skeena): I think both the Prime Minister, Madam Speaker, and the Minister of Transport are missing what happened in Tokyo in the last week, in that all of a sudden we have the buyer and the seller now being the same body.

Over the next 15 years, the owners, controllers and managers of Quintette, which is 80 per cent of northeast coal, will be deciding what kind of investment will occur, and what kind of price loadings there will be. This will make it very difficult for CN, or the National Harbours Board, or even the infrastructure parts of the corporation, to know what is going on, because they will be unable to control it. Where it has historically been the case there is a majority control such as this, has there been a reference to the Foreign Investment Review