

the Prime Minister with reference to questions put from this side, that is one of the considerations that should be under discussion by his department with officials of the United States in reference to the supply of natural gas.

Mr. Gillespie: That is a further representation, Mr. Speaker, and I have noted it.

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● (1440)

AIR CANADA

SUSPENSION OF LIQUOR SALES ON FLIGHTS OVER ONTARIO— POSSIBILITY OF APPEAL TO SUPREME COURT

Mr. D. M. Collett (York East): Mr. Speaker, I have a question for the Minister of Transport. In view of the Ontario liquor licence board decision to suspend liquor sales on Air Canada flights in Ontario next week as a penalty for infringement of provincial liquor laws and in view of the grave constitutional implications this action has for the argument that provinces have jurisdiction over air rights within provincial boundaries, will the Minister of Transport urge Air Canada to seek a clarification in the Supreme Court as to the constitutionality of the Ontario board's suspension?

Hon. Ron Basford (Minister of Justice): Mr. Speaker, I am in the process of consulting my law officers as to what advice might be given on that matter to the Minister of Transport and Air Canada.

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EXTERNAL AFFAIRS

REASON SOVIET ATTACHÉ SMIRNOV NOT DECLARED PERSONA NON GRATA IN VIEW OF ALLEGED IMPROPER ACTIVITIES

Mr. Otto Jelinek (High Park-Humber Valley): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the fact that Lieutenant-Commander Valeri Smirnov of the Soviet Embassy in Ottawa has been asked to cease activities incompatible with his status of a diplomat for illegally obtaining official non-classified industrial documentation and because Mr. Smirnov's name was on the list of 20 KGB trained agents posing as diplomats in Ottawa, made public last year—and at least two others have already been expelled from Canada—can the minister now explain why Smirnov, who obviously was acting in bad faith in improperly and illegally obtaining important industrial documentation, has not been declared persona non grata and asked to leave the country for good?

Hon. Donald C. Jamieson (Secretary of State for External Affairs): Mr. Speaker, I do not accept the second of the two words used by the hon. member, "illegal". I should emphasize that RCMP comments on this matter did not suggest or claim that there was illegal activity. There was activity which was improper with regard to the Soviet representative's activities

Oral Questions

and his status as a diplomatic person in Canada. So it was in this respect that his embassy was asked to have him desist. There was nothing, however, in that conduct, as revealed by the RCMP, which would justify the kind of action the hon. member suggests.

Mr. Jelinek: In view of the fact—and this is more on a general basis—that on March 24 of last year the then solicitor general confirmed that the RCMP was well aware that a number of KGB agents were operating out of the Soviet Embassy in Ottawa and because in the past the government has declared diplomats whose activities were incompatible with their status as persona non grata, would the minister now be prepared to follow his own government's policy and request all diplomats known to the RCMP as KGB trained espionage agents—and I believe there are still 16 left at the embassy—to leave the country forthwith, in view of the very fact that their espionage training activities alone make them incompatible with their status as diplomats? This is the government's own policy, but it obviously is not following it.

Mr. Jamieson: Mr. Speaker, the hon. member knows that it is extremely difficult to discuss these matters openly in the House of Commons.

Mr. Jelinek: Do something about it.

Mr. Jamieson: The hon. member says, "Do something about it", but I will indicate to him that within the past several months we have asked a number of persons from the Soviet Union and from other embassies to leave the country. Whatever hon. members opposite may think, I am quite prepared to rely upon the activities and advice of the RCMP in these matters, and in each case when the RCMP has made recommendations, we have acted upon them.

Some hon. Members: Hear, hear!

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THE CANADIAN ECONOMY

NEW MEASURES TO PROVIDE STIMULUS—POSSIBILITY OF NEW BUDGET

Mr. Max Saltzman (Waterloo-Cambridge): Mr. Speaker, I would like to direct my question to the Minister of Finance. Yesterday the Prime Minister indicated that the government's concern is that the private sector "has not taken up the slack which was provided for it in the budget". In addition, recent indications are that other aspects of the budget analysis are incorrect. Consumer spending and manufacturers' orders are down, and the U.S. economy is not recovering as fast as predicted. There are pretty gloomy prospects for that, and the OECD yesterday released a projection on the Canadian gross national product. Can the minister tell the House what new steps his government is taking to deal with the continuing economic slump and whether he is considering a fall budget?