

[Translation]

TRADE PROPAGANDA

NATURE—NOTICE OF INQUIRY

Hon. Philippe Deane Gigantès: Honourable senators, I give notice that on Wednesday, June 15, 1988, I will call the attention of the Senate to the nature of trade propaganda.

QUESTION PERIOD

[English]

ENERGY

TAR SANDS PROCESSING PLANT, FORT McMURRAY, ALBERTA—
GOVERNMENT'S FINANCIAL COMMITMENT

Hon. H.A. Olson: Honourable senators, last Thursday I asked the Leader of the Government in the Senate if he could give us some information respecting the financing arrangements that have been worked out by the Minister of Energy, Mines and Resources and the Minister of Energy for Alberta. The leader gave an undertaking that he would try to bring that information to the Senate today.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I am pleased to report that, so far as I have been able to ascertain, the information which I placed on the record the other day is accurate.

Senator Olson: I did not question that. I wondered if the information in the newspapers was accurate, as we were led to believe, because the minister did not reply as to whether a financing arrangement had been worked out between the two levels of government.

Senator Murray: I thought I had answered that question. Subject to confirmation, I had answered that question in the negative, and the negative it is. A financing arrangement has not been worked out between the Government of Canada and the Government of Alberta.

Senator Olson: I wonder if the Leader of the Government in the Senate could then give us an undertaking to provide a more complete and detailed explanation of what the situation is so that the people who will be directly affected by this decision will have something to go by other than the speculation of some reporters.

Senator Murray: Honourable senators, we and our friends in the government of Alberta are still reviewing the proposal put forward by the consortium. We expect to be in a position to provide a response to the consortium in the very near future.

Senator Olson: Could the Leader of the Government give us some definition of what he means by the "near future"? In other words, may I ask what "soon" means?

Senator Murray: I am afraid I cannot be more specific than I have been. If I obtain any more precise information from my

colleague, Mr. Masse, who is directly concerned with these matters, I shall be glad to convey it to the Senate.

Senator Frith: It is sooner than "in due course."

Senator Murray: Definitely, definitely.

FUR INDUSTRY

PROPOSED BRITISH LABELLING OF CANADIAN PRODUCTS—
GOVERNMENT ACTION

Hon. Gildas L. Molgat: Honourable senators, my question is to the Leader of the Government in the Senate. In view of the fact that the impending decision by the British government to change the labelling on Canadian furs will have a serious effect on northern Canadians, and the aboriginal peoples in particular, what plans does the government have to take further action vis-à-vis the British government in this regard?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, we have protested in the strongest terms to the United Kingdom government, not once but on several occasions concerning this matter. We, for our part, are considering what further action to take. The honourable senator will be aware that there is a possibility—or will be—of instituting some action under the GATT; but these matters are still being considered by the government.

Senator Molgat: In view of the proposed purchase of British submarines—a decision with which I do not necessarily agree—is it the intention of our government to let Her Majesty's government know that perhaps its actions will have some effect upon our decisions?

Senator Murray: Honourable senators, I prefer to take that question as notice.

Senator Frith: Long notice, I am sure!

FINANCE

INCREASE IN BANK RATE—GOVERNMENT ACTION

Hon. H.A. Olson: Honourable senators, I have another question for the Leader of the Government on a subject matter in which I know he has a long and abiding interest; that is, the interest rate set by the Bank of Canada every Thursday at 2 o'clock. I can remember, for example, that he asked that question of me every Thursday afternoon. Could he now advise us whether the government is going to take any action in an effort to see that justice is done in this regard? Many people, including me, believe that much of the country is being penalized because of some fear of the government or the governor of the bank with respect to inflationary pressure in a small geographical area of Canada.

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, I should like to draw to the attention of the honourable senator the fact that the fiscal policy of the government, the social policy of the government and the regional develop-