

Oral Questions

Sault canal and the development of that area is being made on the basis of all the available facts and information. There is no special reason for a conclusion not having been reached except that we want to do a very thorough job of analysis.

Mr. Symes: Mr. Speaker, I hope the minister does study the new evidence about 4 million tons of coal moving through that system by 1980, because that does not seem to me to justify reducing or closing the lock. By way of a supplementary question, can the minister explain the budgetary reduction of \$336,000 for operating costs for the fiscal year 1978-79? Does this mean the government has decided to reduce one work shift, which was an option suggested in its preliminary report on the future of the Sault lock?

Mr. Lang: With regard to the second part, I would want to check that. I think probably if the time estimates are being considered, I would be able to give that information. I can tell the hon. member that as far as the proposed or suggested movement of coal is concerned, we had projections of possible movements of coal far greater than that which we have been taking into account in terms of the development of the Seaway.

AIRLINES ISSUING FREE TICKETS SO CUSTOMERS MAY AVOID
INCOME TAX

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport. There have been news reports this week that airline companies and travel agents are handing out free airline tickets to help customers avoid paying income tax, and there are so many free tickets around that they are like money.

In light of the statement made by Mr. Claude Taylor at committee meetings last spring, that Air Canada has 80,000 tickets it cannot account for, I would ask the minister whether he has contacted Mr. Taylor to see if they have found these 80,000 tickets, or are they part of the free tickets that are floating around Canada?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, I have no reason to think there is any relationship between these two matters, and I do not think anyone suggested that at any time. I have not had a recent report from Mr. Taylor on this matter, but I would be glad to obtain one.

Mr. McKenzie: Mr. Speaker, will the minister contact Mr. Benson, of the CTC, to make sure he allows no more air fare increases until he has complete assurance that airline companies can account for all these missing tickets and have proper accounting systems, instead of having this rip-off of the Canadian public?

Mr. Lang: Mr. Speaker, I will take note of that representation.

[Mr. Lang.]

PROPOSED WITHDRAWAL OF GOVERNMENT FROM
INTRAPROVINCIAL FERRY SERVICES

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Transport of which I have given him notice. Given the government's stated intention to withdraw from all intraprovincial ferry services in the country, and given the settlement that was successfully negotiated with British Columbia in this regard, I should like to ask whether the minister or the government is prepared to offer the same terms and financial conditions to the province of Newfoundland in this regard that it gave to British Columbia?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, broadly speaking, it is our view that the administration of local ferry services, particularly when they may be competitive with roads or, indeed, are being replaced by the construction of road services, are better managed and better to be managed in provincial hands. Toward that end we are discussing with Newfoundland an appropriate financial arrangement, and perhaps an arrangement to assure improved facilities where they are required to provide the ferry services. These discussions have been ongoing for some time. I think they may have taken a change for the better fairly recently; I say that as a result of my first discussions with the new minister of transport for Newfoundland.

Mr. McGrath: Mr. Speaker, although the minister did not say so, can I assume that Newfoundland can expect the same terms given to British Columbia? Can the minister give the House, and certainly the people of Newfoundland, the assurance that the vessel which has been designated to replace the *William Carson* on the Labrador-Newfoundland service will be adequate in terms of accommodation and safe in terms of its ability to navigate the ice situations off Labrador?

Mr. Lang: Mr. Speaker, the principles which were at work in developing a solution to the ferry situation in British Columbia are the same principles at work in the case of Newfoundland, although different circumstances and different arrangements in law might well lead to appropriate results rather than identical results. The information I had was that the vessel being prepared for the substitution of the *William Carson* was chosen because of its suitability. It has to undergo certain changes to permit it to fit the service exactly, and those will be undertaken.

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EXTERNAL AFFAIRS

COMPENSATION FOR COSTS INCURRED IN SEARCH FOR SOVIET
SATELLITE

Mr. Maurice A. Dionne (Northumberland-Miramichi): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Will he inform the House what further developments there have been in respect of the question of compensation by the Soviet Union for costs incurred in the search for the parts of the Cosmos satellite?