

meeting between myself and my colleague the Quebec Minister of Industry, Mr. St.-Pierre. We expect to meet in the first week of July to discuss the feasibility report on the CANADIF project, to see whether such a plant is possible at this time, and also to explain the federal position to the minister.

**Mr. Wagner:** Mr. Speaker, I have a supplementary for the Minister of Energy, Mines and Resources.

Could the minister tell this House what would be the respective shares of the federal government, the Quebec government and the French government if it were decided to go ahead with the project following the feasibility studies?

**Mr. Macdonald (Rosedale):** Mr. Speaker, the respective positions are not yet determined, but I can tell the hon. member that it is the federal government that will have to issue the building permit for such a plant, and in that sense, the federal government has a role of prime importance in this matter.

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● (1450)

[English]

#### EXTERNAL AFFAIRS

POSSIBILITY OF ESTABLISHMENT OF INDEPENDENT TURKISH CYPRIOT STATE—POSSIBLE WITHDRAWAL OF PEACEKEEPING UNIT—GOVERNMENT POSITION

**Mr. Lloyd R. Crouse (South Shore):** Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. He was here a moment ago.

**Mr. Hees:** All you have to do is call him home like the cows.

**Mr. Crouse:** In light of the fact that the Turkish Cypriots voted overwhelmingly on June 8 for an independent Turkish Cypriot state in northern Cyprus, when does the government plan on recognizing this new state, and do we as Canadians approve of this move toward the creation of an independent state?

**Hon. Allan J. MacEachen (Secretary of State for External Affairs):** Mr. Speaker, I regret that I was out of the House. I was on my way to the Senate—

**Some hon. Members:** Oh, oh!

**Mr. Hees:** I would like to congratulate the minister on making a fine move.

**Mr. MacEachen:** It was not my intention to remain there permanently. I was going there to testify before a committee. I hope to be back in the House tomorrow.

As the hon. member knows, the leaders of both Turkey and Greece met recently in connection with the NATO summit, as did the foreign ministers of both these countries, in an effort to make some progress in resolving the difficulties. I believe that following the meeting between the leaders of the two countries there is some indication that negotiations will continue. I had the opportunity to meet the foreign minister of Turkey and the foreign minister of Greece during the NATO meeting, and because of

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our involvement in peacekeeping in Cyprus, I expressed our wish that negotiations resume and that some progress be made. We have not expressed a view on a new state. We recognize the independence and sovereignty of Cyprus.

**Mr. Crouse:** I have one brief supplementary arising out of the reply of the minister. Are UN peacekeeping units still patrolling the ceasefire lines in Cyprus, and are there any plans to withdraw the Canadian contingent presently serving?

**Mr. MacEachen:** Mr. Speaker, I cannot tell the hon. member the exact location of the work. We have not decided to withdraw our peacekeeping force. I believe that I am correct in recalling that we have reduced the number of the contingent in Cyprus, but we have not withdrawn them.

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#### HOUSING

PROPOSED REDUCTION OF MORTGAGE INTEREST RATES—GOVERNMENT POSITION

**Mr. Stan Darling (Parry Sound-Muskoka):** Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the Minister of State for Urban Affairs. As the Canadian Federation of Mayors and Municipalities would like to see mortgage interest rates, particularly government mortgage interest rates, lowered in order to stimulate housing construction, can the minister clarify the priorities to the House as to whether he believes mortgage interest rates should be lowered to stimulate the housing sector, or whether he agrees with the governor of the Bank of Canada that it might be necessary for all interest rates to rise as a method of combating a resurgence of inflation and excessive monetary growth, and to pay for the trade deficit?

**Hon. Barney Danson (Minister of State for Urban Affairs):** Mr. Speaker, I do not think it is appropriate for me to comment on the statements of the governor of the Bank of Canada or on those areas within the responsibility of my colleague, the Minister of Finance. Naturally we are anxious to have the greatest infusion of capital at the lowest rates into the housing market, but we also recognize that there are other factors involved.

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[Translation]

#### PUBLIC SERVICE

STRIKE OF SHIP REPAIR UNIT—GOVERNMENT ACTION TO SETTLE

**Mr. Donald W. Munro (Esquimalt-Saanich):** Mr. Speaker, further to the questions I put a couple of weeks ago, I have a question for the President of the Treasury Board.

Since the minister has had the opportunity to inquire about the negotiations with the ship repair units in Esquimalt and Halifax, could he now tell the House what