

tion. So, these two matters are closely related. I assure the hon. gentleman that we are quite well aware of the problems he has outlined and the possibility of unilateral action is not ruled out.

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● (1440)

NATIONAL DEFENCE

POSSIBILITY OF AGREEMENT ON USE OF LIMITED TACTICAL NUCLEAR WEAPONS—GOVERNMENT POSITION

Mr. Bob Wenman (Fraser Valley West): Mr. Speaker, my question is for the Minister of National Defence. In view of world concerns regarding the potential escalation of a conventional limited war into a nuclear war through the use of limited tactical nuclear weapons, has Canada entered into any formal or informal agreements with its allies in either NORAD or NATO agreeing to the use of limited tactical nuclear weapons?

Hon. James Richardson (Minister of National Defence): No, Mr. Speaker.

Mr. Wenman: Does the minister consider limited tactical nuclear weapons as military hardware within the currently accepted limits of a limited war?

Mr. Richardson: If I understand the question correctly, Mr. Speaker, nuclear weapons can be used in a tactical sense and they would be very much a part of our deterrent, particularly on the central front in Europe.

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REGIONAL ECONOMIC EXPANSION

METROPOLITAN AREA GROWTH INVESTMENTS LIMITED—DATE WHEN AGENCY WILL BECOME OPERATIONAL

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Regional Economic Expansion, if I could get his attention. Inasmuch as 1023 days have gone by since his department announced the establishment of the Area Growth Investments Corporation in the city of Halifax area, can the minister now give some indication to the House as to when his department and the province of Nova Scotia will arrive at an agreement on the question of a chairman for that group so that the metropolitan area can have some benefit from the many billions of dollars that have been lying idle in the bank?

Hon. Donald C. Jamieson (Minister of Regional Economic Expansion): Mr. Speaker, it has been 1023 days, or whatever the hon. member said, since the corporation was formed, but it is only one day since I answered the same question posed by his colleague, the hon. member for Central Nova.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, may I suggest to the Minister of Regional Economic Expansion that instead of engaging in foolishness his department could spend the money on something worthwhile, such as a tunnel under the Northwest Arm, and be done with this charade.

Oral Questions

AIR TRANSPORT

FARE INCREASES—POSSIBILITY OF INTERVENTION BY MINISTER

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Transport and it arises out of the increase in domestic air fares which went into effect yesterday. Is the minister satisfied that the amount of the increase awarded to the airlines by the Canadian Transport Commission is justified and, if not, does he plan to intervene under the provisions of the act?

Hon. Jean Marchand (Minister of Transport): Mr. Speaker, I already said in the House that I asked Air Canada first to try to reduce some of the proposed increases. I think they did reduce those increases in the Maritime region. Apart from that, I am not the one who is supposed to be the judge of that. It is the responsibility of the CTC.

SUGGESTED CONSIDERATION OF INEFFICIENCY OF AIR CANADA IN ESTABLISHING NEW TRANSPORTATION POLICY

Mr. Don Mazankowski (Vegreville): In view of the fact that the hearings revealed that the operations of Air Canada show significant inefficiencies and the fact that Air Canada happens to be the price pacesetter in the airline industry, is the minister looking into this, and also is the minister looking into the mass cross-subsidization which is taking place in the operations of Air Canada at the expense of the western air traveller and if that practice is consistent with the national air transportation policy?

Hon. Jean Marchand (Minister of Transport): I think the hon. gentleman knows that right now there is an inquiry into certain financial aspects of Air Canada. I think it is unjust to refer only to the loss or deficits of Air Canada and to say that it is not as efficient as other airlines because we ask Air Canada to do things that we do not ask private companies to do.

An hon. Member: Such as what?

Mr. Marchand (Langelier): I think it might be a good opportunity when we receive Mr. Justice Estey's report to review the whole thing and see whether the financial administration is good.

Mr. Mazankowski: The question I posed has nothing to do whatsoever with the inquiry. I asked a simple question as to whether the minister approves, as part of the over-all national transportation policy, of the mass cross-subsidization which is taking place in Air Canada and whether in fact the revelations that were brought forth at the hearings concerning the gross inefficiencies in Air Canada are being looked into as part of the minister's review and the over-all approach of the national transportation policy. It is a simple question which has nothing to do with the inquiry. Perhaps the minister might also advise the House whether any consideration is being given to a review of the domestic transcontinental air policy.

Mr. Marchand (Langelier): Yes, there will be a review. As to the subsidization of certain areas in Canada, it takes