

Oral Questions

making a grant in Canada—the answer, of course, is no, but I would say that as a consideration in making a grant, when a company such as Domtar tells you that the plant that it intends to build would have 49 per cent of the total Canadian capacity and you ask where are you going to sell that extra capacity, and they tell you substantially in the United States, certainly with the delicate nature that exists with respect to our trade in forest products with the United States, it is very natural to inquire from our officials what they feel would be a reaction in the United States if there was such a new exportation of this single product into that country.

CROWN CORPORATIONS—ELIGIBILITY FOR GRANTS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would say to the Minister that this sounds like the new *Fortune* magazine philosophy of the Conservative Government, that we really do not want to export our products, we are afraid to export them, and we are going to establish involuntary restraints without even being asked.

I want to raise a question with the Minister on another aspect. He said in his Estimates that the Government would no longer give any grants to Crown corporations or any companies in which Crown corporations hold interest. The Prime Minister contradicted that statement on March 1. Is the Minister now going to rescind that policy that he made in his Estimates, that Crown corporations, federal and provincial, are no longer eligible for grants, or is the Prime Minister not telling it as it is in this House of Commons?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member who talks about some kind of voluntary restraints, the fact is we have no objection to Domtar through its own good resources building the plant and exporting to the United States. There is no suggestion on our part that it should not do it.

All we are saying is that a profitable company such as Domtar does not have to turn to the federal Treasury for the funding that it requested. Bearing in mind the deficit position in Ottawa, that was part of the reason why we said we could not accommodate it. As far as the Crown corporations are concerned, if the Hon. Member would have one of his researchers, or even he himself do a little better homework, he would find that those statements are entirely consistent with each other.

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SPACE WEAPONRY

UNITED STATES' STRATEGIC DEFENCE INITIATIVE—NORTH WARNING SYSTEM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have questions for the Prime Minister on the forthcoming summit meeting that will take place between himself and President Reagan. He was not in the House on Friday. He is not here today. There may be good reasons for it, but we certainly hope

that before that summit takes place the Opposition will have occasion to put directly to him important questions that concern the future of our country.

In his absence, I want to ask the Secretary of State for External Affairs a question that is going to be discussed at the summit meeting. It concerns, of course, the linkage that a number of American officials have made between the star wars project of President Reagan and the modernization of the radar facilities in our DEW Line. It was proposed by two officials before there was a linkage. A third was added to the list on Friday. Considering that Mr. Richard Burt, in his briefing of Canadian journalists, says there is a linkage, why does the Canadian Government continue to say the opposite?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not know how long the Leader of the New Democratic Party will pursue this course of deliberate anti-Americanism by quoting half the statements of American officials. Mr. Burt made it clear that his initial statement was a mistake. The Hon. Member should know that the Department of the Secretary of State in the United States said clearly, and I quote from the statement:

With regard to the upgrading of the DEW Line and its replacement with the North Warning radars, the Department can state clearly and categorically that the North Warning System being planned by Canada and the United States is not part of the Strategic Defence Initiative Program.

The Hon. Member knows that. He was told and read that statement on Friday. He raises it again today in a deliberate attempt to try to sour relations, and try to frustrate the development of jobs here in this country. I consider that to be unacceptable behaviour.

Some Hon. Members: Hear, hear!

STATEMENTS ATTRIBUTED TO UNITED STATES OFFICIALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Secretary of State for External Affairs reveals his usual intellectual mastery of a complex subject. There is no attempt on this side of the House to be anti-American or anything else.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. It is normally proper to grant the questioner the right to ask his question. Will the House please do that?

Mr. Broadbent: Mr. Speaker, American official after American official, whether it is the Secretary of Defense, a senior policy advisor on defence matters, or an American who briefs Canadian journalists, are all saying there is a linkage between the two. The Minister has a lot of nerve saying that we are distorting the truth. He is doing it. Why does the Canadian Government continue to say the opposite to what the Americans are saying?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one of the reasons we differ from time to time with what the Americans say is that we are a sovereign