

Oral Questions

understand the procedures that occur around this type of matter, I should explain that it is routine for a stock exchange to conduct an inquiry not after there has been speculative activity but after there has been speculative activity and an announcement. This automatically triggers the investigation which my hon. colleague talked about. Among the matters that will be investigated are the matters about which the Hon. Member has asked.

While this is a routine matter from the position of the stock exchange, and it is done in many cases in which this happens, I take the matter seriously. I asked my Deputy Minister to meet with the President of the stock exchange this morning, which she did. We have been promised that the matter will be expedited. We expect that the results will be announced shortly. They will be undertaking the steps suggested by the Hon. Member. As well, I might say how well received this transaction has been.

Some Hon. Members: Hear, hear!

* * *

REGIONAL DEVELOPMENT**SYDNEY STEEL CORPORATION—RAIL PURCHASES BY CANADIAN NATIONAL RAILWAYS**

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Deputy Prime Minister. When the Prime Minister was running for Parliament in the by-election in Central Nova he was reported to have said that Ottawa, and I want to use his exact words, should use its "colossal influence" in the Department of Supply and Services and the CNR to guarantee that the industries of the area, Nova Scotia, benefit. Last weekend the Minister of National Revenue announced to Nova Scotia Tories that CN had agreed to purchase rail from Sydney Steel Corporation. Can the Government confirm this? If it cannot, will it at least make the commitment that the CN will guarantee the purchase of rail from Sysco in order that Phase II modernization can go ahead?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am glad to hear the hon. gentleman's recent interest in this topic. Naturally, CN has agreed to purchase rail from Sysco. CN has been the main purchaser of rail from Sysco for many years. Under our administration of the Government of Canada it will continue to be one of the main purchasers, if not the main purchaser, of rail from Sysco.

I can tell the House that probably today, but certainly within a matter of hours, CN will be entering into a memorandum of agreement with Sysco covering its traditional share of rail requirements for standard carbon rail, low alloy rail and alloy rail, so long as the level of quality, competitive pricing and delivery performance are satisfactory, commencing with the order year that starts August 1. When Sysco meets CN's specifications for head-hardened rail, it will be receiving orders

from CN for this type of rail under the same conditions. Prices will be negotiated annually—

Some Hon. Members: Order!

● (1440)

CAPE BRETON LABOUR COUNCIL—REQUEST FOR MEETING WITH PRIME MINISTER

Mr. John R. Rodriguez (Nickel Belt): My supplementary question is directed to the Deputy Prime Minister. The Cape Breton Labour Council is very concerned about the Sysco modernization, the Devco lay-offs, and other regional industrial problems in Cape Breton. The Council sent a telegram to the Prime Minister requesting a meeting with him when he is in Cape Breton this weekend to open the Winter Games. Can the Deputy Prime Minister respond to the Labour Council and give the assurance that the Prime Minister will schedule a meeting with the representatives of the workers of Cape Breton to talk about these very serious problems that they are having?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member has already heard of the action that has been taken by the Minister of Transport in terms of working out an arrangement for the traditional supply of railway steel from Sysco. I had the opportunity to meet with workers from Sysco, and the related unions in that particular area. They indicated that they would be satisfied with that type of arrangement. I am not aware of the invitation that has been sent. Certainly the Hon. Minister of National Revenue has met with the workers, as has the Hon. Minister of Transport, and myself. I am sure that if the opportunity presents itself the Prime Minister would be prepared to meet with them as well.

Mr. Rodriguez: I will send you a copy of the telegram.

* * *

[Translation]

TELEGLOBE CANADA**PRIVATIZATION—INQUIRY IF MEASURES TAKEN TO PREVENT PROFITEERING THROUGH USE OF PRIVILEGED INFORMATION**

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister responsible for the privatization of Teleglobe Canada and has to do with the Toronto and Montreal stock exchanges investigation into speculation on Memotec shares. Mr. Speaker, I would ask the Minister whether, before making public the decision to sell Teleglobe to Memotec, she took steps to ensure formally that none of the Government or public service officials who had privileged information had directly or indirectly benefited from such information to buy Memotec shares?