

*Oral Questions*

request of the industry that an offer was made to try to suspend the action. The Hon. Member can stand up and say it was the federal Government's decision, but it was not. It was a decision of the provinces, in co-operation with the industry and with the labour unions to try that course. Decisions will be made by Friday on the approach that will be taken in co-operation with our provincial partners. The case will be well handled by the officials in our Department, once that decision is made by the leaders of this country.

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**SHIPBUILDING****CONSTRUCTION OF FISHING TRAWLERS—REQUEST FOR CANADA-FIRST POLICY**

**Mr. Bob Corbett (Fundy—Royal):** Mr. Speaker, my question is directed to the Minister of State for Finance. He will be aware of the Canada-first purchasing policy in the development of the East Coast offshore oil and gas industry. Why has the Government not moved to implement a similar policy for the construction of fishing trawlers over 100 feet, which would greatly assist the ailing shipbuilding industry in Atlantic Canada and make good on a commitment to impose tariffs that the Government made two years ago?

**Hon. Tom Hockin (Minister of State (Finance)):** Mr. Speaker, a significant part of the policy was the request by the shipbuilding association and the repair association to impose a tariff on large vessels. This was considered very carefully in preparation for the 1985 Budget. At that time it was found that the cost differential that would be imposed as a result of such a tariff would be very burdensome, and it was opposed by the fishermen. We should know if anything has changed since 1985 and I will make sure that our officials look at this to see if there are any significant economic changes.

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**CROWN CORPORATIONS****PROPOSED SALE OF TELEGLOBE**

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, my question is directed to the Minister of Communications. The Government called for bids and promised early decisions on previous occasions, for the privatization of Teleglobe. Now there is a new game plan because the Government has announced a new round. It has clearly undermined the sanctity of the bidding process. Businesses are losing confidence.

Since Teleglobe profits have poured non-stop into the federal treasury, including \$108 million last year and a further \$80 million expected this year, where is the economic sense and what is the economic benefit to Canadians in selling this money-making machine?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, we believe that the sale of Teleglobe will be very beneficial for the country. First, as a result of the sale Canadians will be paying less for overseas calls. Second, Teleglobe will be in a much better position to enter into new competitive environments in the whole telecommunications business. Third, that money that is now being put into the federal treasury will be freed up for other priorities of the Government in social programs, research and development, assistance to farmers, and so on.

*[Translation]***INQUIRY WHY CANADIANS MUST WAIT TO BENEFIT FROM REDUCED RATES**

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, my supplementary is for the same Minister. Is the Minister aware that thousands of Canadians who phone their families abroad each week could save a lot of money if long distance rates were reduced immediately? If Teleglobe is that profitable, why must Canadians wait two years to benefit from reduced rates? This has nothing to do with privatization. Do you think the Canadian public can be fooled in this way?

**Hon. Flora MacDonald (Minister of Communications):** Mr. Speaker, the selling of this company will mean that Canadians will pay less for their calls abroad.

*[English]*

Beginning in 1988, the reduction in cost will be some 13 per cent. After that, the CRTC will be able to regulate further reductions. We see those reductions continuing.

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**PHARMACEUTICAL INDUSTRY****COMPETITION POSED BY GENERIC DRUGS**

**Mr. Bill Blaikie (Winnipeg—Birds Hill):** Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. He has kindly provided us with a copy of the letter from Dr. Eastman to *The Globe and Mail*. Why did he neglect to call to the attention of the House the following sentence in that letter:

My expectation is that the proposed legislation will delay generic competition for some of the new drugs and in consequence delay the reduction in their prices which such competition causes.

Why did he neglect to bring that to our attention?

**Hon. Harvie Andre (Minister of Consumer and Corporate Affairs):** Mr. Speaker, I did not neglect to do that. In the course of my answers to several questions today, I pointed out that that is in fact where differences of opinion may lie. That is the kind of question we should be discussing in committee. Dr. Eastman pointed out in his letter:

As I understand it, the Minister believes that generic competition may not be delayed and hence that new drug prices may not be affected by the proposed legislation.