

Is the Minister prepared to make the same undertaking as his colleagues from the Eastern Townships and promise the House that we shall have an answer by next Saturday?

[English]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, I thought the answer was abundantly clear. Domtar's request for a \$117 million grant has been refused. That is where it stands.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Churchill.

An Hon. Member: Now we know where the power is.

Mr. Speaker: Order, please.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

GOVERNMENT POLICY

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Finance. Is it the intention of the Government to continue the Liberal scheme on equalization which will result in Quebec, Manitoba, Nova Scotia, and Prince Edward Island receiving less money in equalization payments next year than they are receiving at the present time? Is it the intention of the Government to maintain that Liberal policy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member knows that the Prime Minister and I have both had discussions with members of the Manitoba Government. That decision will be taken shortly. We are exploring ways of trying to meet the needs of the Province of Manitoba as well as those of the Province of Quebec, but he has to recognize that it is a larger problem. The federal Government has probably a more severe financial problem that the provinces affected have. It is for that reason we have to be very careful on how we address this issue.

TIMING OF ANNOUNCEMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, I find it ironic that the Minister of Finance pleads poverty versus the cases of the poorer provinces. My supplementary question is directed to him. When will those four provinces know whether they will receive less money than they receive this present year? When will they find out?

Hon. Michael Wilson (Minister of Finance): Shortly.

Oral Questions

TRUST COMPANIES

PIONEER TRUST—SITUATION OF UNINSURED DEPOSITORS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of State for Finance. It concerns the collapse of Pioneer Trust. The Minister will be aware of the fact that the Canada Deposit Insurance Corporation bailed out uninsured depositors in the Greymac, Seaway, and Crown Trust affair in Ontario. Will the Minister inform the House whether the CDIC is planning the same action for the uninsured depositors of Pioneer Trust?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as I understand it, in the case of Greymac, Seaway, and some of the earlier companies, including Fidelity, CDIC entered into an agency agreement which it is allowed to do under a certain section of the Act, provided that there are savings to the corporation as a result. In the case of Pioneer Trust, those calculations were made and it was concluded that there would be no savings to CDIC, after careful examination. There is no agency agreement and the company is in liquidation. Therefore it is not possible for CDIC, under legislation, to pay off uninsured depositors.

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REGIONAL INDUSTRIAL EXPANSION

APPLICATIONS FOR GRANTS—GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, question is directed to the Minister of Regional Industrial Expansion. First I welcome him back from his magical mystery tour. I am sure, now that he has seen the programs of his Department unravel in the meantime, he probably wished he had never come back. In his letter to Domtar cancelling the project, he stated that the difficulty was the fear of U.S. retaliation. That was one of the reasons given for cancelling the grant. Is it now the policy of the Government on any industrial grant applied for by a Canadian company to take into consideration first whether the United States Government agrees or disagrees? Will that be the criterion by which we determine whether Canadian companies obtain grants? Does he not consider that to be a serious compromise on our sovereignty in determining our own industrial structure and how we should go about helping our own industry?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member who referred to my tour, I assure him that the results of it will be demonstrated in coming months and years as we develop new trade associations and relationships with the countries which I had an opportunity to visit. He will also find that investment flows will once again start coming back into Canada, partly from those countries.

● (1440)

In reply to the Hon. Member's question—do we consult first with officials in the United States before we can consider