

Senator Flynn: You should know, now.

Senator Argue: Just relax! I am not offering any proof.

Senator Flynn: You have to find some.

Senator Argue: I am not offering any proof myself, but all of the studies that have been done, by persons more competent in this field than either Senator Flynn or I, indicate that a loss has been sustained.

Senator Flynn: That does not prove much.

Hon. Duff Roblin (Deputy Leader of the Opposition): I ask my honourable friend: What are you going to do about it? We have asked this question about once a month for the past six months, and he indicates he is still an optimist; but the results—zilch!

[Translation]

TRANSPORT

AIRLINES—SALE OF NORDAIR

Hon. Martial Asselin: For several weeks and even months now I have been asking the government leader in the Senate to report progress on the situation in the Department of Transport with regard to the sale of Nordair shares to other private regional airlines. The minister has already told us that the government could not make up its mind because of certain deadlines. Yesterday however, the President of Quebecair complained on the national television system about the fact that the government delayed in making a decision. Because the leader has some difficulty in obtaining clear and specific answers, would he accept a motion referring the entire question to our Senate Committee on Transport and Communications where we could hear witnesses, officials or the Minister of Transport himself and obtain some details which the Leader is unable to get?

● (1440)

[English]

Hon. Raymond J. Perrault (Leader of the Government): The situation has been monitored on a continuing basis. The question will be taken as notice in order to determine whether or not some more factual data can be brought to the chamber tomorrow. If at some point it appears to be appropriate to have this matter referred to committee then, of course, we can discuss that initiative at that time.

THE SENATE

APPOINTMENT OF NEW MEMBERS

Hon. Lowell Murray: Honourable senators, in view of the fact that for many months now there have been eleven vacancies in the Senate, and in the light of events earlier today, will the Leader of the Government tell us when we may expect these seats to be filled, and what qualifications the government is looking for in the nominees?

Hon. Raymond J. Perrault (Leader of the Government): Honourable senators, the appointment of outstanding Canadi-

ans to this chamber is a priority item, but there are a number of other priority items before Parliament at this time which should be given immediate attention.

SPECIAL INVESTMENT TAX CREDIT

CONCEPT AND DESIGN OF PROGRAM—DEBATE CONCLUDED

The Senate resumed from Wednesday, February 11, 1981, the debate on the inquiry of Senator Murray calling the attention of the Senate to the government's Special Investment Tax Credit Program for areas of greatest disparity, announced in the budget address of October 28, 1980, and to inter-ministerial confusion in the concept and design of the program.

Hon. Royce Frith (Deputy Leader of the Government): Honourable senators, this inquiry deals with the government's Special Investment Tax Credit Program. When it was first introduced in the Senate on February 11 it was subtitled in the *Debates of the Senate* "Concept and Design of Program." I bring that to your attention because that was really the theme of Senator Murray's speech. I propose to continue essentially with the concept and design of the program. When Senator Murray spoke to it on that date, he went into some detail, as I propose to do, but all my detail will be in the context of the design and the concept of the program.

Let me begin, honourable senators, by referring to a certain key phrase in Senator Murray's speech, because I totally agree with it. I propose to mention at the beginning the principles that Senator Murray had taken as his starting point, agree with those, and then see where differences exist between the program launched by the Honourable John Crosbie, under the auspices of the previous administration, and that introduced by the present Minister of Finance and the present Minister of Regional Economic Expansion.

Hon. G. I. Smith: What is the page number?

Senator Frith: The reference is February 11, 1981, page 1646. The basic theme that Senator Murray, I and anyone interested in and who has thought about DREE agrees with is found at the bottom of the second column of page 1646, where it states:

Anyone who has had any acquaintance with the regional disparity problem in this country, or who is interested in it, will acknowledge at once that it is as complex as it is persistent, and all of us who are interested in this subject will welcome a better idea in this area, from whatever source it comes.

Senator Murray then went on, at the top of the next page, to say:

Back in December 1979, when Mr. John Crosbie brought in his budget, he announced what he thought, and what many of us—

And, I take it, Senator Murray also.

—felt was a better idea, namely, the introduction of a new concept in the form of selective tax credits for firms