

THE ECONOMY

FACTORS RESULTING IN FAVOURABLE BALANCE OF TRADE

Hon. Peter Bosa: Honourable senators, my question is for the Minister of State for Economic Development. What factors have contributed to such a favourable balance of trade for Canada in the first nine months of the year? Is it the devaluation of the dollar? Are we becoming more competitive in the export of our manufactured goods? Are we exporting more raw materials?

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, my answer would involve some technical detail concerning the various factors. I can answer the question now since I anticipated it. However, since the question was phrased as it was, I will take it as notice and give some more specific detail as to the change in that nine-month period.

PUBLIC WORKS

TERMINATION OF COMMUNITY SERVICES PROGRAM

Hon. Jack Marshall: I think this may be the final question, and I direct it to the deputy leader. I am sure he will have to take it as notice.

My question has to do with the termination of the federally funded Community Services Program, recently announced by the Minister of Public Works. This program is very important to small and isolated communities seeking funding for basic community needs such as water and sewerage programs and neighbourhood improvements.

I was astounded to learn that at a meeting last year between the federal and provincial governments there was a commitment that prior to December 31, 1980, the federal government, with the provinces, would replace that agreement by an improved one to provide for longer-term certainty of the Community Services Program.

Would the deputy leader seek clarification of what will replace the present Community Services Program, particularly when many of the municipalities have committed themselves to long-term loans in order to install things such as water and sewerage systems?

Hon. Royce Frith (Deputy Leader of the Government): Honourable senators, on the assumption that something is replacing it, I will try to find out what that is. I am sure the government knew about the undertakings others may have made while relying on this program. I will try to find out what negotiations took place and what substitute arrangements, if any, were made.

ENERGY

THE BUDGET—POLICY RESPECTING CANADIAN OWNERSHIP OF OIL COMPANIES

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, I should like to reply to a question raised on November 6 by Senator Donahoe. The question concerned the government's policy of promoting Canadian ownership in the oil and gas industry.

I should like to remind the honourable senator that the government is fully committed to the policies enunciated in the budget and the National Energy Program. To use the senator's own words, I believe there are far more carrots than sticks to be found in this program. The government is putting Canadian companies in an advantageous position vis-à-vis foreign companies in terms of the acquisition and development of gas and oil resources.

Canadians must play a greater role in the energy sector. With the incentives offered in our National Energy Program they will be able to achieve this goal.

IMPORTATION OF OIL FROM MIDDLE EAST

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, I should like to respond to a question raised on November 18 by Senator Bosa concerning oil imports from Iraq. I am able at this time to confirm the answer I gave to the senator when he originally raised this question. The situation is that small quantities of oil were being imported from Iraq at the time the hostilities there broke out. Purchasers, however, have been able to arrange for alternative quantities, and there has not been any interruption in Canadian supplies.

THE ENVIRONMENT

POLLUTION—ACID RAIN

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, I should like to respond to a question raised on November 18 by Senator Nurgitz concerning the problem of acid rain.

As my colleague the Minister of the Environment said in the other place, this government is continuing its efforts in relation to the United States. Some progress has been made in this area. Canada has signed a memorandum of intent with the United States, and discussions are under way for the establishment of a treaty of accord with the United States.

Meanwhile, at home, Canada is increasing its research vis-à-vis this subject while encouraging our provincial governments to enforce more stringent limitation orders. Inco has already complied, and Falconbridge and Ontario Hydro plants are being assessed with a view to improving our own acid rain problem.

VETERANS AFFAIRS

THE BUDGET—PENSIONS AND ALLOWANCES

Hon. Royce Frith (Deputy Leader of the Government): Honourable senators, I have a delayed answer to a question raised by Senator Marshall on October 30, 1980, relating to the qualification period for widows' pensions and to the revision of the basic rate of pension. It is a fairly detailed answer,

[Senator Argue.]