

decrease of \$232 million U.S., or roughly \$300 million in Canadian dollars.

Can the Minister tell us what happened to those loans? Were they transferred to other Canadian Commercial Bank branches?

[English]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would like to point out that the first order released on the Canadian Commercial Bank, its agency and its subsidiary bank in California from the regulatory authorities, came in February, 1984.

I am not sure where I was then precisely, but I know I was not here. I think the question around the transfer of assets could be addressed to some of the Hon. Member's former colleagues since the activity in those agencies started long before my time.

Some Hon. Members: Hear, hear!

• (1450)

[Translation]

MINISTER'S KNOWLEDGE OF THE FACTS

Mr. Raymond Garneau (Laval-des-Rapides): A supplementary, Mr. Speaker.

Am I to understand that the Minister is telling us that between January 1, 1985 and June 30, 1985, when the bank was bailed out, when the fiasco really began, she did not know and still does not know where the loans went, who got the loans, or even whether they were repaid? Mr. Speaker, how can we possibly launch a proper investigation in committee if the Minister does not know anything at all about a situation where she did ante up \$1 billion of Canadian taxpayers' money?

[English]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, if there is anybody who has not ignored the situation, it is myself. We have indicated to the Hon. Member, to his colleagues, and to our other colleagues across the aisle, that we are prepared to discuss this matter in full in committee. I am really looking forward to that discussion.

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INDUSTRY

SYDNEY STEEL CORPORATION—GOVERNMENT FUNDING

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Yesterday an announcement was made with regard to the Sydney Steel Corporation indicating that the federal Government was willing to co-operate in some development there. When will the Government commit itself to complete funding of Phase II and, in doing so, will it make some commitment

that Canadian railways, CN especially, will be ordering their rail lines from Sydney Steel?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member undoubtedly knows, I met with Premier Buchanan yesterday. Among other things, we discussed the situation at Sysco. We received the updated Hatch report concerning Sysco. We reviewed its recommendations and felt that they were quite positive. In the context of those recommendations, we have agreed in principle to come to an agreement which will hopefully affect the recommendations in the Hatch report, and an announcement should be made within a few weeks.

MODERNIZATION OF PLANT

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is directed to the same Minister. Will a commitment be made by the Government to complete funding of the Phase II modernization of that plant, or will we have more years of delay and indecision as we had under the Liberals?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, obviously the Hon. Member was concentrating on his supplementary question without listening to what I said. When he has an opportunity to read *Hansard*, I think he will see that a very definitive, positive answer was given.

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REGIONAL ECONOMIC DEVELOPMENT

DESIGNATION OF AREAS IN ALBERTA UNDER FEDERAL DEVELOPMENT PROGRAMS

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. He will know that the national energy policy of the former Government devastated the economy of the Province of Alberta with resulting high unemployment. Has the Minister taken action to designate areas of Alberta as tier 2 areas so that they may qualify for the Government's economic development programs?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure the Hon. Member is aware of how the tier 2 and other designations are determined. We have the entire tier system under review. He will be pleased to know that under the existing ERDA program a subagreement affecting his area will likely be entered into very soon, and I think the area residents will find it very beneficial.