

by the National Energy Board in (i) 1970 (ii) 1971 (iii) 1972 (iv) 1973 (v) 1974 (vi) 1975 and, if so, how many?

2. Did the Board receive from Trans Canada Pipelines copies of correspondence dated June 7, 1972 and June 2, 1972 between them and Mr. Tom Arnesen relating to the quality of welding performed on a Trans Canada Pipeline and, if so (a) on what date was such correspondence received (b) what action was taken by the Board on the letters?

**Mr. Maurice Foster (Parliamentary Secretary to Minister of Energy, Mines and Resources):** National Energy Board reports as follows: 1. Yes, the Board employs field inspectors who have the ability to identify welding problems and who are competent to inspect and assess hydrostatic testing. Moreover the Department of Energy, Mines and Resources has particular expertise in radiography and metallurgy plus the laboratory facilities to conduct any necessary analysis. The Board has used these services to supplement the findings of its field inspection staff when required. The following table indicates the Board's staff members who were available for inspection duties from 1970 to 1975 inclusive.

Year	Personnel
1970	5
1971	6
1972	6
1973	9
1974	11
1975	16

The CSA Z184 requires gas pipeline companies to use radiography in only 15% of field welds. Accordingly this code requirement acts principally as a check on the quality of workmanship. Because radiographic techniques were not sensitive enough to reproducibly find dangerous defects, the Board relied on the pressure test as the principle basis for operating authority for pipelines to be operated. Although the quality of radiography has increased markedly since 1972, it will continue to be the Board's policy to rely principally on the hydrostatic pressure tests to assure itself that a gas pipeline may be safely operated. This hydrostatic test requires a minimum pressure of 125 per cent of maximum allowable operating pressure to be held for a minimum of 24 hours.

2. Yes, copies of these two letters were forwarded by Trans Canada to the Board in June 1972. Similar letters were received by the Board in July 1973. All these letters related primarily to a contractual dispute between the two parties. The Board does not normally involve itself in this type of dispute. The potential significance of the very general references to welding quality and safety made in this correspondence was not apparent until a copy of Mr. Arnesen's report dated December 3, 1973 to the Prime Minister was received by the Board in March 1974. At that time an investigation of Mr. Arnesen's technical concerns was undertaken.

EXPORTS OF FOREST PRODUCTS

Question No. 4,592—**Mr. Symes:**

1. Since the establishment of the Anti-Inflation Board in October 1975, until the resumption of full operations in the forest products industry, what was the dollar value decline of Canadian exports?

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2. What was the loss, in dollars, of tax revenue from exports during the same period of time?

**Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce):** 1. In the period from November 1975, the first full month in which the Anti-inflation Board was functioning, to January 1976, the latest month for which data are available, the exports of the forest industries amounted to \$1,066 million. This compares with \$1,304 million in the comparable period in 1974-75, and with \$1,232 million in 1973-74. The level of exports in this period was affected adversely by labour disputes in many sections of the pulp and paper industry and also by weak demand for pulp and paper as well as lumber and panel products. However it is not possible to quantify the impact of these various factors with any precision.

2. This information is not available.

NEW INVESTMENT PROPOSAL

Question No. 4,603—**Mr. Nystrom:**

1. Was a new investment proposal made by Internote Canada Limited, wholly owned by Internote Financial Holdings of Switzerland, owned and controlled by Paoli Bontempi of Italy to establish a plant in Granby, Quebec and, if so, what is the total and/or per share price of the transaction, including the value of share transfers or other considerations?

2. Who are the principal shareholders of Paoli Bontempi of Italy?

3. Does Paoli Bontempi of Italy control and/or partially own, directly or indirectly, any other businesses in Canada and, if so, in each case, what are the holdings by percent of control and value?

4. What will be the effect of the establishment of this plant on (a) the level and nature of economic activity in Canada (b) resource processing in Canada (c) utilization of parts, components, materials and services produced in Canada (d) exports from Canada (e) productivity, industrial efficiency, technological development, product innovation and product variety in Canada (f) competition within any industry or industries in Canada?

5. How many persons will be employed once the new plant is established?

6. What is the degree and significance of participation by Canadians in the business enterprise or new business and in any industry or industries in Canada of which the business enterprise or new business forms or will form?

7. How will the establishment of this plant be (a) compatible (b) incompatible with national industrial and economic policies, taking into consideration industrial and economic policy objectives of any province likely to be affected by the new plant?

8. What is the significant benefit to Canada of the transaction?

**Mr. Marcel Roy (Parliamentary Secretary to Minister of Industry, Trade and Commerce):** In so far as the Foreign Investment Review Agency is concerned: a new investment proposal was made for Internote Canada Ltd., wholly-owned by Internote Financial Holdings of Switzerland, to establish a plant in Granby, Quebec. The proposal was approved by the Governor in Council on February 26, 1976 (P.C. 1976-435). All information with respect to a person, business or proposed business obtained in the course of the administration of the Foreign Investment Review Act is privileged and may not be released except as provided in section 14 of that Act.