

Senator Donahoe: Honourable senators, as a supplementary, do I understand that the minister is saying that the future wellbeing of those who work in the plants is solely and utterly dependent on market conditions?

Senator Olson: I did not say that. I said it was difficult, but, like almost any other production of any other commodity, there is a direct relationship between the financial health of those companies and whether or not they can sell what they are producing.

Senator Donahoe: Honourable senators, I have a further question on that subject. Without regard for press reports, the actions and agenda of the cabinet, or of the future market for heavy water, but merely as a matter of fact, will the minister answer this one question: Will the plants remain open?

● (1440)

Senator Olson: The answer is that the plants are open now and, indeed, the federal government has been involved in providing financial underwriting to keep these plants open for all of the obvious good reasons, and for a long time after the production of these plants commenced being stockpiled.

Senator Donahoe: Honourable senators, one is tempted to be quiet and one is also tempted to ask a further question. Will the assistance alleged, at least, by the Leader of the Government to be given by the government to those plants—which, as I understand him is responsible for their being open—continue to be given?

Senator Olson: Honourable senators, perhaps I should make a reference to the Minister of Energy, Mines and Resources and the other ministers involved. What my honourable friend is asking of me now is that I, on behalf of the government, give an undertaking that there will be this kind of financial assistance in perpetuity or, at least, over a longer term. I have to tell the honourable senator, quite frankly, that I do not have the authority to give that kind of assurance now.

AIRLINES

QUEBECAIR—POSSIBLE EXEMPTION FROM PROVISIONS OF BILL S-31

Hon. H. A. Olson (Leader of the Government): Honourable senators, I have a reply to a question concerning Quebecair asked by Senator Asselin on November 9. While I have answered a number of these questions to date, I now have a much longer and more detailed reply, and I would ask that it be incorporated in *Hansard* as though it had been read.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

(*The answer follows:*)

Honourable senators, Senator Asselin stated in the Senate on November 9, 1982, that the government had not given a "satisfactory response" to the proposed Quebecair acquisition of Nordair. The Minister of Transport gave the government's response through a telex sent to his counterpart in the Province of Quebec. The minister

[Senator Olson.]

stated in the other place on November 9 "that the Snow-Clair proposal has not been received very enthusiastically by the various parties involved. First of all, Air Canada was to participate in the merger, but without voting rights, a condition that Air Canada did not find very attractive. On the other hand, Nordair employees were not very enthusiastic either, and furthermore, parties from the private sector in Quebec and Ontario were, it seemed, either not very willing or not able to make substantial investments in the company that would be created as a result of a merger. In other words, a great many people did not seem to find the Snow-Clair plan very attractive, and I therefore hope that we shall be able to take a more realistic approach, for instance, in discussing Air Canada's participation in the merger, as a voting participant and not as a participant who provides funds without having a say in how they are spent."

To answer the second part of Senator Asselin's question, the Minister of Consumer and Corporate Affairs announced on November 9 that the cabinet had ruled that in accordance with Clause 6 of Bill S-31, Quebecair would be exempted from the provisions of the bill as soon as they take effect.

Senator Asselin asked whether there would be discussions with the Government of Quebec on this issue. The answer is yes. The Minister of Transport, the Hon. Jean-Luc Pepin, met with his counterpart, the Hon. Michel Clair, the Minister of Transport of the Province of Quebec, on November 10.

Senator Asselin asked why the Minister used his discretionary powers to grant Air Ontario an exclusive licence to provide air services to Toronto, Ottawa and Montreal on a route that was already partly being used by Quebecair. The Minister of Transport reversed a CTC decision regarding Air Ontario, thereby giving Air Ontario the authority to operate Sarnia-London-Toronto-Ottawa-Montreal without traffic rights between Ottawa and Montreal. As there are many non-stop flights between Toronto and Montreal (Quebecair, Nordair, Air Canada, CP Air), it is unlikely that passengers wishing to travel on this route will be diverted to the slower and indirect Air Ontario service. The main purpose of the Minister's decision was to provide passengers from Sarnia and London with same-plane service to Ottawa and Montreal.

Therefore, to answer Senator Asselin's final question, this did not mean that the federal government was no longer open to the Snow-Clair proposal.