

Oral Questions

How can the minister accept the fact that an Inuit has to pay up to \$12 for 3 litres of milk in the far north, while his department is still looking into the matter instead of coming up with some answers?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I started off this term hoping that I would turn my hon. friend into a lovable and committed federalist. Since he is using my answers for questions, I think I am 60 per cent there.

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AIR ATLANTIC

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, my question is for the Minister of Industry.

Air Atlantic creditors vote on Monday to determine whether they will accept the company's restructuring proposal or be forced into bankruptcy. Apparently most of the creditors are in agreement with the restructuring proposal and have declared so. The sole exception is the Government of Canada that has not given its public indication of its position. Rejection of the restructuring proposal means the bankruptcy of the company.

Will the Minister of Industry today please advise the House and through this House the employees and creditors of the position of the Government of Canada to the restructuring proposal.

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I appreciate the question because it gives me an opportunity to make clear that first of all Industry Canada is really an insurer of certain of the debt which is involved in this transaction. The creditors themselves have a vote. Industry Canada will not be voting with respect to it.

I have directed my officials to retain a neutral position on the proposal because I believe that it should be examined by the creditors with a view to its commercial viability. That is the test they should apply in their own best interests. If that test passes then we will be happy to see the airline continue on the basis of the proposal.

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I commend the Minister of Industry for his frank and forthright answer. I am very pleased indeed that the minister will take a neutral position.

Does this mean that the creditors will have sole discretion as to their vote on the restructuring proposal without interference by a government official or a representative of the department?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, that is exactly the intention which I intended to convey by my first answer. There will be no interference from us. I expect the creditors to evaluate their own positions and vote accordingly.

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GOVERNMENT APPOINTMENTS

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, my question is directed to the Deputy Prime Minister. In its attempts to reduce costs the federal government has on occasion dealt with the public service job vacancies by not replacing them on the basis of attrition.

My question has to do with the recent appointments to the Senate, apparent worthy appointments. I am just wondering if the Deputy Prime Minister would suggest to the Prime Minister that in the interest of saving costs around this place, perhaps the Senate should be treated the same way as the public service and that vacancies be treated as not filled by attrition.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, there is a slight problem with that logic. I think the member would certainly recognize that he does not want to leave the Senate with a majority of Mulroney appointees.

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CANADA DEVELOPMENT INSURANCE CORPORATION

Mr. Tony Ianno (Trinity—Spadina, Lib.): Mr. Speaker, my question is for the Secretary of State for Financial Institutions.

In a report released on Tuesday the Senate banking committee recommended that the \$60,000 guaranteed deposit by the CDIC be reduced from 100 per cent coverage guaranteed to a lower level where depositors, that is Canadians, would assume more risk and the banks less.

Can the Secretary of State tell us if the government is prepared to implement these changes and why?

• (1500)

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I know the hon. member's interest in the subject. The Senate committee has reported recently. We have looked at the proposals it has made, some 42 of them. One was the recommendation for a partial co-insurance clause. That is something we will have to consider very carefully.

A number of other recommendations it has made are very positive ones. That one is going to be carefully considered. We would certainly not consider implementing co-insurance without careful consultations with all stakeholders and reference to the House.