

*Order Paper Questions*

to use the radio again during his shift as he became busy at the dock area. It was not until 1645 hours, same date, that the radio was missed from its place in the cubicle.

(a) During the intervening period (1015 hours—1645 hours) there were many persons in the area or passing through the dock area who could have removed the radio while the commissioner was busily engaged elsewhere in the area. The theft was reported to the Ottawa City Police but an investigation into the loss over the succeeding two days failed to reveal the identity of the person(s) responsible for the illegal removal of the radio. To date no trace of the radio has been found.

(b) Not applicable.

(c) See (a) above.

(d) Yes.

(e) Procedures now require the commissioner to carry the radio with him whenever he is out of his cubicle on duties within the shipping/receiving dock area.

2. The radio is used to maintain contact with the main post during the security and fire patrol of the building.

DEPARTMENT OF LABOUR—PROFESSIONAL AND SPECIAL SERVICES

Question No. 2,978—**Mr. Clarke:**

With reference to the professional and special services recorded by the Department of Labour under the departmental program at page 32.18, volume II of the 1979-80 Public Accounts of Canada, with particular reference to motion picture production and distribution (a) what was the title and total cost of each film produced in the fiscal year 1979-80 (b) at what audience was each film aimed (c) what cost recovery is anticipated from the distribution of all the films?

**Hon. Chas. L. Caccia (Minister of Labour):** (a) Costs were for the purchase of various prints of films, filmstrips, plus the charges for the booking and distribution of films for the Industrial Relations Film Library administered jointly by the National Film Board and Labour Canada.

(b) Various audiences; bookings arranged through National Film Board.

(c) None.

ATLANTIC PILOTAGE AUTHORITY

Question No. 3,130—**Mr. Clarke:**

With reference to the statement of operations of the Atlantic Pilotage Authority for the year ended December 31, 1979 at page 10, volume III of the 1979-80 Public Accounts of Canada, which notes that the authority had a net operating loss of \$124,613 during the year and that the stated objective of the authority was "to operate and maintain a safe and efficient pilotage service" (a) how does the authority explain the fact that it has operated at a significant loss in each of the past three years, since this is contrary to the objective of operating an efficient service (b) since the level of the deficit has been diminishing, on what date does the Authority anticipate becoming a net contributor to the Equity of Canada (c) is the Authority taking measures to ensure that it will be operating at a profit as soon as possible and, if so, what are the measures?

**Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport):** The Atlantic Pilotage Authority advises as follows:

(a) The Atlantic Pilotage Authority has operated at a loss in each of the past three years (1977, 1978, 1979) because the tariff increases which were instituted in 1976, 1977 and 1979 were not sufficient to recoup expenditures in 1977, 1978 and 1979. The tariff increases levied in those years were felt to be fair and reasonable and therefore within the objectives of the authority.

The level of expenditures experienced in the three-year period are also considered reasonable: 1977 as compared to 1976 indicates a 3 per cent decrease; 1978 as compared to 1977 an 8 per cent increase; 1979 as compared to 1978 a 6 per cent increase.

The pilotage tariffs in the Atlantic region were historically low for a number of years and in order to bring about economic self-sufficiency it was felt reasonable to levy gradual increases over an extended period of time rather than large increases over a short period of time.

(b) The authority has not relied on government monetary support since the 1979-80 fiscal year and does not anticipate receiving contributions from the government in the future.

(c) The authority is taking measures to ensure it will be operating at a profit as soon as possible. A profit of \$115,358 is budgeted for 1981.

The measures being taken are: (1) continual monitoring of pilotage activity as it relates to pilots' workload and the number of pilots on strength; (2) planned contracting out of pilot boat service in order to increase efficiency; (3) a new tariff, to be published soon, and to become effective January 1, 1982; (4) these measures will ensure the Authority continues to operate in an efficient manner and without financial assistance from the government of Canada.

AIR CANADA

Question No. 3,132—**Mr. Clarke:**

1. With reference to item 6 of the notes to financial statements of Air Canada for the year ended December 31, 1979 at page 8, volume III of the 1979-80 Public Accounts of Canada, which states "... the cost of shares purchased exceeds the underlying net book value of Nordair Ltd.'s assets by \$5 million at the date of purchase" (a) was an appraisal made of Nordair's aircraft to support the payment of \$5 million more than the share value in Nordair's books (b) on what date will the amortization of the \$5 million commence and how will the amortization be treated in the accounts of Air Canada?

2. Did Air Canada integrate the operations of Nordair Ltd. into its own operations and, if not, is there a duplication of such operations?

**Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport):** The management of Air Canada advises as follows:

1. (a) Yes. The appraisals were made by independent third parties and were corroborated by studies carried out by Air Canada specialists.

(b) The amortization of the \$5 million commenced on the date of acquisition and is reflected as a reduction of Air Canada's share of Nordair's profit under the equity accounting method.