

Oral Questions

[English]

NATIONAL UNITY

TRANSPORT POLICIES—CONTRIBUTION TO WESTERN
ALIENATION

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I have a question for the Minister of Transport. In the context of the Quebec referendum debate that this House has been hearing so much about in the last few days, I should like to ask the Minister of Transport if he is aware that a distinct sense of western alienation lies behind such western separatist political movements as the Saskatchewan Unionist Party, a party dedicated to the break-up of Canada just as surely as the Parti Québécois is dedicated to the ending of confederation.

Is the minister aware that his government's transport policies are contributing greatly to western alienation? Would he give an undertaking to end branch line abandonment, as his government's positive, tangible gesture toward the strengthening of confederation?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I was not aware of that. Indeed, I thought the happy solution of the Prince Rupert terminal question and the negotiations which took place in Vancouver last week on the subject of coal development would enhance the reputation of the Minister of Transport in these matters.

Some hon. Members: Oh, oh!

Mr. Pepin: With respect to branch line abandonment—not having made any particular decision yet—whatever conclusion has been reached would be, at the least, premature.

Mr. Hovdebo: Madam Speaker, I have a supplementary question for the Minister of Transport. Could I ask the minister if he accepts the premise of several major farm organizations, including the Saskatchewan Wheat Pool, that there be guaranteed rail service on any line which the elevator companies will agree to keep serving?

Will the minister demonstrate his government's willingness to act in the interests of efficiency and in accordance with the expressed wish of grain producers in the west by guaranteeing this service?

Mr. Pepin: Madam Speaker, I do not know how I can answer this question in one sentence, but I will try.

Mr. Hnatyshyn: Say "yes".

Mr. Pepin: The subject of the rehabilitation of branch lines is one that is dear to everybody's heart. But in doing so, some priority has to be established, and I think everybody would agree to that. When the basic network system was established, I think in 1975, about 60 of the branch lines were identified as being part of that system. We are now up, by a number of additions, to 82 per cent of the branch lines. So to my simple mind, as a thinker on these matters, if one identifies all branch lines to be retained, one abandons the priority system and destroys the very principle which is at stake.

REGIONAL ECONOMIC DEVELOPMENT

RELOCATION OF ELDORADO NUCLEAR—COMPENSATION FOR
COSTS INCURRED

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the President of the Treasury Board. With respect to the announced move of the Eldorado refinery from Port Hope to northern Ontario, I should like to ask the President of the Treasury Board whether or not the government's policy is to compensate Eldorado with respect to the very substantial extra costs that are involved in this move, so that their balance-sheet will not reflect the additional increase and they will remain competitive in terms of international markets and, in fact, in their operations in the sale of uranium and uranium products.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I have no advice that anything will be done which would prejudice Eldorado in terms of its commercial liability, as the hon. member suggests.

An hon. Member: It is costing money.

Mr. Hnatyshyn: Madam Speaker, therefore, can the minister advise the House whether or not, in his thorough investigation before giving his support and approval to these moves—which I am sure he must have done—he consulted with the board of directors of Eldorado, or whether they were left out in the cold and are now feeling very concerned because they have not been brought into this particular decision and it is, in fact, contrary to their recommendation?

Did the President of the Treasury Board, in the performance of his duties, in fact consult with the board of directors who were given the mandate to carry out the responsibility of policy with respect to that company?

Mr. Johnston: Madam Speaker, I should like to point out to the hon. member that Eldorado reports to the Minister of Energy, Mines and Resources and not to the President of the Treasury Board.

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FINANCE

CAPITAL GAINS TAX—EFFECT ON INVESTMENT—REFERENCE TO
COMMITTEE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the President of the Treasury Board. The minister stated in an interview in the *Toronto Star* on October 18, 1979, that the tax on capital gains has stifled investment in many sectors and frozen assets in others.

In view of the study that the Minister of Finance is allegedly having into capital gains, I wonder if the minister could indicate to this House what input he is having in that study.

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, if the Minister of Finance is con-