

THE ECONOMY

DEVELOPMENT OF COAL RESERVES—GOVERNMENT POSITION

Mr. Les Benjamin (Regina West): Madam Speaker, my first question is directed to the Prime Minister since it relates to over-all Government policy. The Government announced yesterday that it proposes to amend the 1925 statute which not only sets out statutory grain rates but also sets out provisions concerning the reserve of coal on what are called Dominion coal lands. Amending that legislation would free those lands. The legislation states that "coal will be reserved for the purpose of securing a sufficient and suitable supply of coal to the public at reasonable prices, not exceeding \$2 per tonne".

Can the Prime Minister give us his assurance that, should this legislation pass, the development of this \$450 billion coal reserve will proceed in the public sector and that the benefits and revenues will go to the people of Canada? Whom will the Government allow to develop this reserve, the CPR or the private coal companies? Who will derive the benefits of that resource which has been held in reserve since 1925?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it would be the intention of the Government to ensure that the benefits to the public are maximized in every way.

Some Hon. Members: Oh, oh!

Mr. Benjamin: Madam Speaker, that means that there goes the CPR again, on another gravy train.

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RAILWAYS

AMOUNT OF INVESTMENT

Mr. Les Benjamin (Regina West): Madam Speaker, my supplementary question is directed to the Minister of State for Economic Development. Yesterday the Government announced the provision of a guaranteed annual income for the railroads, a 21 per cent return on investment and another 20 per cent in add-on profit from the transportation of grain. Why is the Government allowing the railways to invest less money in 1983 than they did in 1980, when they claimed they were losing hundreds of millions of dollars on the transportation of grain? Do the Minister and the Government intend to allow the railroads to take those guaranteed annual profits, and use them for something else?

● (1425)

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I would hope that the Hon. Member has had an opportunity of reviewing the package which was distributed to him yesterday morning at 11 o'clock. It seems to me that it was clear from the announcement yesterday, made across the country and in this House, that the railways' direct investments over the next decade will be \$16.5 billion to improve the railway transportation sector. Also there will be

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industrial spinoffs, which are fully described in that package. So I really do not know what the complaint of the Hon. Member is.

Mr. Benjamin: Madam Speaker, I suggest that the Minister read Statistics Canada instead of letting the CPR write his answers for him. The rate of railway investment for 1980 projected to 1991 is many hundreds of millions more than the Government is now requiring of the railroads.

REQUEST THAT CAPITAL BE USED TO ACQUIRE EQUITY IN RAILWAYS

Mr. Les Benjamin (Regina West): Madam Speaker, I must now direct this question to the Prime Minister because this also has to do with over-all Government policy.

We agree that the railway system must be upgraded with a massive capital investment. Since the people of Canada paid for the building of 60 per cent of the CPR, 81 per cent of the Canadian Northern and 65 per cent of the Grand Trunk Pacific, and when the latter two went bankrupt we paid for them a second time, I would like to ask the Prime Minister if the Government will assure the House and the people of Canada that the capital investment provided for Canadian National will be used to increase our equity ownership in the Canadian National and also that the Government of Canada will take equity ownership for the value of the capital investment provided to Canadian Pacific.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I take that as a suggestion by the Hon. Member. I am glad that he is looking at the future, not only the past. I can assure him that the Government wants to look at the future, not at the past.

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NATIONAL DEFENCE

ADMIRAL'S REPORTED STATEMENT ON DISARMAMENT NEGOTIATIONS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Minister of National Defence (Mr. Lamontagne). Yesterday the CBC reported that the Secretary of State for External Affairs in Geneva expressed, and I quote: —unswerving Canadian support for President Reagan's proposal for the zero option.

At the same time, Canada's Admiral Falls, Chairman of NATO'S Military Committee, said in an interview in Brussels, and I quote:

From the beginning it has not been hard for me to understand why the Soviets feel the way they do.

—It is obvious to me, and to a lot of other people, that if (American President Ronald Reagan's) zero option stance is to be retained, and the British and French weapons are excluded, it isn't a zero option.

Can the Minister tell the House why Admiral Falls spoke out against the zero option at the same time as the Secretary