

## FINANCE

## REQUEST FOR ESTIMATE OF BUDGETARY DEFICIT

**Mr. Bill Kempling (Halton-Wentworth):** A question for the Minister of Finance, Mr. Speaker. Taking into account seasonal patterns of expenditure and revenue, Fry, Mills and Spence Limited has predicted a budgetary deficit of at least \$6.5 billion and more likely \$7.5 billion. In response to questions in the House, the minister has repeatedly refused to clarify the question of the budgetary deficit for the present fiscal year without explaining the reason for his refusal. Is the hon. gentleman now in a position to tell us whether he still finds the budgetary deficit of between \$5 billion and \$6 billion cited in the budget of June 23 a probable figure for the current fiscal year?

**Hon. Donald S. Macdonald (Minister of Finance):** The figure referred to is the figure for the cash requirement.

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## ENERGY

## SUGGESTED INVESTIGATION OF SOUTH AFRICAN PLANT PRODUCING GASOLINE FROM COAL

**Mr. Lloyd R. Crouse (South Shore):** Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. A short time ago the minister of economic affairs for South Africa announced that the South African Coal, Oil and Gas Corporation known as SASOL, intends to build a second plant to produce gasoline, diesel and other petroleum products from coal. Each day, the original plant, the only one of its kind in the world, crushes 2,200 tons of coal and each hour nine million cubic feet of gas is produced. Bearing in mind our own high unemployment rate, the high level of our coal reserves and our need for new energy sources, may I ask whether the minister has given any thought to visiting South Africa to examine this process in the hope that a similar coal-to-gasoline project might be established in Canada?

**Hon. Alastair Gillespie (Minister of Energy, Mines and Resources):** I do not think it will be possible for me to visit South Africa in the near future but I am discussing this question with my officials and I hope we shall be able to send an expert to South Africa to check into the process the hon. member has described.

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## EXTERNAL AFFAIRS

## PROPOSAL THAT PALESTINIAN LIBERATION ORGANIZATION BE GIVEN CHOICE BETWEEN DIPLOMACY AND TERRORISM

**Mr. Claude Wagner (Saint-Hyacinthe):** Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Considering that those who have an interest in peace and justice in the Middle East have a duty to demand that the PLO make a clear choice between diplomacy at the United Nations and terrorism, will Canada insist at the UN or elsewhere that in order to aid negotiation the PLO undertake at the level of Mr. Arafat a

## Oral Questions

binding renunciation of terrorism and at the same time recognize Israel's right to exist?

**Hon. Allan J. MacEachen (Secretary of State for External Affairs):** We have not as a government recognized the PLO as a representative of the Palestinian people. I have already stated at the United Nations that these conditions ought to be met by any group wishing to participate in any negotiations, namely that terrorism be abandoned and that the right of Israel to exist as a state be fully respected. This has been insisted upon, but I would add that up to the present time we have not recognized the PLO as a representative of the Palestinian people for reasons which have already been made known to the House.

## SUGGESTED RENUNCIATION OF TERRORISM BY PALESTINIAN LIBERATION ORGANIZATION BEFORE REPRESENTATIVES ADMITTED TO CANADA

**Mr. Claude Wagner (Saint-Hyacinthe):** In the light of the answer given by the Secretary of State for External Affairs, may I ask whether Canada will insist that this renunciation and this recognition become *sine qua non* conditions which must be met before PLO representatives can be admitted to this country as delegates to any UN conference?

**Hon. Allan J. MacEachen (Secretary of State for External Affairs):** No, Mr. Speaker. That would mean an importation of matters into our immigration entrance requirements which have not hitherto been considered by any government, and I hope will never be.

● (1430)

**Mr. Wagner:** A supplementary question, Mr. Speaker. Would the minister not consider that one should go beyond the simple condemnation of violence? In this particular case, is the minister not prepared to set as Canada's posture in the future conditions that he has already admitted are reasonable?

**Mr. MacEachen:** Mr. Speaker, I will send the statement that I made at the United Nations to the hon. member so that he will see that before the general assembly Canada took a position on the question of both violence and terrorism as a method of gaining political objectives, a method we condemn. Of course, the importance we attach to the recognition of the state of Israel is a fundamental cornerstone of our policy.

With respect to the admission of individuals to Canada, my colleague the Minister of Manpower and Immigration has already stated that, even though the PLO is a prohibited organization under Canadian law, members of the PLO would be admitted to Canada under ministerial permit if invited by a reputable Canadian organization or to attend United Nations conferences. But in no case—and obviously this would be applied across the board—would any individual be admitted to Canada who has a record of terrorism. This certainly meets the point the hon. member has been making.