

being made to have supplies provided in Canada that are of an adequate quality.

We are trying to ensure that McDonald's Restaurants in Canada are a market for Canadian products, but we do not want to follow the kind of advice that would have us putting an embargo on imports from the United States, thus interfering with what is now a good balance in trade in favour of Canada, and interfering with our standing in the GATT.

Senator Molgat: Judging from the laughs across the way, it would seem that some honourable senators do not consider this a serious matter. I regret that, because it does happen to involve a fair amount of employment in my province.

Hon. Jacques Flynn (Leader of the Opposition): Thank you very much for the lecture.

Senator Molgat: For that reason alone it is indeed a serious matter.

Has the minister any knowledge whether or not the Department of Industry, Trade and Commerce, for example, has become involved in the discussion? I understand there is an argument whether or not the quality provided is adequate. That is an argument between McDonald's and the bakeries.

Are there any means by which the Department of Industry, Trade and Commerce can help to resolve this matter, if, in fact, it is the heart of the problem?

Senator Argue: I do not really know what the answer to that might be, unless the honourable senator is suggesting that perhaps the Department of Industry, Trade and Commerce should provide some grants for the building or improvement of facilities.

The Canadian Wheat Board has issued permits for 45 days on the understanding that McDonald's will do everything possible within that 45-day period to find a Canadian source. McDonald's is under a good deal of pressure from the Canadian Wheat Board, and from others in Canada, to attempt to find a satisfactory Canadian source of supply.

The evidence is that the situation in British Columbia will be corrected, so we have done quite well out there. The problem then is to have the situation in Manitoba and Saskatchewan corrected as well, and I will be very happy to inquire whether the Department of Industry, Trade and Commerce either has a role to play or is already playing a role. Certainly, the pressure is on Canadian suppliers to come forth with a bun of adequate quality for McDonald's.

● (1425)

Hon. Joseph-Philippe Guay: Perhaps I did not hear the minister correctly, so I should like to ask him, as a supplementary question, when the proposed plant to be located in British Columbia will be built.

The minister keeps saying that the permit or certificate allows the company 45 days to consider the possibility of improving the situation. Is there simply a proposal to construct a plant in British Columbia, or is it a fact that the plant will be constructed?

[Senator Argue.]

Further, I should like to ask the minister whether the Minister of Employment and Immigration has been consulted, and, if so, whether he agrees with the policy with regard to the 45 days to consider the possibility of improvement. I realize the unemployment that this will create in Manitoba, and must agree with Senator Molgat that this may cause a serious problem in the area.

Senator Argue: Honourable senators, I have not consulted with the Minister of Employment and Immigration.

Jobs in Canada are very, very important, and I do not think we should take precipitous action that might result in a major net loss of jobs, because we are exporting to the United States twice as much in bakery products as we are importing from the United States.

I have the situation in Manitoba very much in my mind. I am obviously not responsible for the provision of facilities to bake buns, but I am encouraging the Canadian Wheat Board to continue its monitoring of the situation and to continue the pressure to get buns produced in Manitoba and Saskatchewan. The Saskatchewan situation is similar to that in Manitoba, and the product is of adequate quality.

Senator Guay: Would the minister answer that part of my question regarding the proposed construction of a plant in British Columbia?

Senator Argue: That has been announced in the newspapers. While one cannot always believe what is in the newspapers, it seems fairly clear that a gentleman in Vancouver has announced that he is in the process of establishing a \$2 million bakery capable of turning out 54 million hamburger rolls a year.

When that plant is in operation, which it is expected to be 1983, the McDonald's British Columbia market will be fully supplied with rolls that this man believes—and I would agree—are likely to be of the quality that McDonald's will accept. Further, there will be many jobs provided while the construction of the plant takes place.

FOREIGN AFFAIRS

EAST-WEST DÉTENTE—POLICY OF U.S.S.R.

Hon. Peter Bosa: Honourable senators, I have a question for the Minister of State for the Canadian Wheat Board. The minister has recently returned from Moscow, having attended the funeral of the late Leonid Brezhnev.

Hon. Martial Asselin: He was representing the Canadian Wheat Board.

Senator Bosa: I am wondering if the minister could inform the Senate whether he has had any political contact with the new leaders of the U.S.S.R. concerning their intentions as to the policy of détente.

Hon. Hazen Argue (Minister of State for Canadian Wheat Board): I am afraid I did not get that far during my visit to the Soviet Union. I attended the funeral of Leonid Brezhnev