

the Gull Island hydro project in Labrador, which would create several thousand construction jobs; and are they close to signing an agreement so that that development can go ahead? If there is no agreement yet, has the government of Canada made a new proposal to the government of Newfoundland and, if so, what is the federal government prepared to do: what assistance is it prepared to give to that project?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I discussed that very matter two weeks ago with Premier Moores and discussions were continued by the Minister of Energy, Mines and Resources and the Secretary of State for External Affairs. This government is convinced it will be able to reach an agreement with Newfoundland. However, both parties to it must make certain preparations before anything can be finalized.

Mr. Crosbie: Mr. Speaker, the premier of Newfoundland says that an agreement is close to being reached. I should like the Prime Minister to comment on that.

• (1452)

Also, eight months ago the Premier of Newfoundland put before this government a proposal for a three-year job creation project to cut the wood from the sides of the reservoir at the Gull Island development. This would employ 400 loggers for three years, at a cost of some \$4 million. It would be self-sustaining and would be of permanent benefit. The work has been ordered by the environmental authorities. Is the Prime Minister going to approve that project which will put back to work the 400 loggers laid off by the closing of the Labrador linerboard mill?

Mr. Trudeau: Mr. Speaker, on the first point, I agree with the statement of the premier as quoted by the hon. member. It seems to me that my first answer indicated the very same thing. On the second question, cabinet dealt with this matter as recently as last week and I expect an announcement to be made soon.

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REGIONAL ECONOMIC EXPANSION

GOVERNMENT INTENTIONS RESPECTING FUNCTIONS OF DREE

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I should like to ask the Minister of Regional Economic Expansion if the government has any plans to either disband the DREE program or to transfer its functions to another ministry.

Hon. Marcel Lessard (Minister of Regional Economic Expansion): No, we have no such plan, Mr. Speaker.

Mr. Scott: A supplementary question, Mr. Speaker. Keeping in mind that some areas of the country have enjoyed a special relationship with DREE because they are classed as areas of high unemployment, will the minister say whether the government would be prepared to extend the operations of

Oral Questions

DREE into other areas of high unemployment, especially north-central Ontario?

[Translation]

Mr. Lessard: Mr. Speaker, the DREE programs apply also to northern Ontario. It can be said that 80 per cent of the Ontario territory is covered by some DREE programs, by way of grants to corporations or otherwise. The DREE programs apply to southern and eastern Ontario as well. These programs have been and continue being applied there.

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[English]

PENITENTIARIES

HOSTAGE-TAKING AT B.C. PENITENTIARY—INQUIRY INTO ADMINISTRATION OF INSTITUTION

Mr. Benno Friesen (Surrey-White Rock): Mr. Speaker, my question is directed to the Solicitor General. The recent hostage-taking at the B.C. penitentiary involved five prisoners known to be extremely dangerous, one of whom was the leader in the events of June, 1975, and is described as one of Canada's most dangerous men. Can the Solicitor General give the House any indication why the administration at B.C. penitentiary allowed these five men into the visitors' area at the same time?

Hon. J.-J. Blais (Solicitor General): Mr. Speaker, first of all I should like to thank the hon. member for bringing these events to the attention of the House and, indeed, the solution of that particular problem. I should like to commend all parties who participated, including the Canadian Penitentiary Service and the RCMP who assisted in the resolution of the difficulty. Again I commend my predecessor who was instrumental in bringing in the "no deal" policy, which in my view was highly responsible for the eventual solution of the problem.

To answer the hon. member's specific question, Mr. Speaker, I announced in my release on Saturday that there will be a formal inquiry. Surely the information the hon. member seeks will be made available as a result of that inquiry.

Mr. Friesen: A supplementary question, Mr. Speaker. According to information I have received, the assistant director of socialization, a former psychiatric nurse, was advanced from a WP3 position to a WP5 position in 18 months, and the head of social development, without previous penitentiary experience, moved from a WP1 to a WP4 position in one year. Could the Solicitor General give a commitment to the House that the parliamentary subcommittee which worked so successfully last year will be reconstituted to look into this matter, as it was a very non-partisan group and it could zero in on this specific problem regarding administration and the policy of promotion and advancement in the penitentiary service?

Mr. Blais: Mr. Speaker, without accepting the allegations of the hon. member, I am not ready to reconstitute the subcom-