

**Hon. Otto E. Lang (Minister of Transport):** Mr. Speaker, a question like this is ordinarily decided by Air Canada. However, I think the hon. member has some seriously incorrect information. As I understand it, Air Canada has no intention whatever to move its existing paint facilities from Dorval. There is the question of some new facilities to deal with some wide-bodied aircraft not presently handled at Dorval. The last report I had was that Air Canada was conducting a feasibility study in connection with the best location for those facilities. I have not heard that a decision has been reached by the management, but I will be glad to inform myself about that.

**Mr. McKenzie:** In a letter to me from the Canadian Aviation Fellowship, which is an organization made up of 2,200 Air Canada employees, they state:

Air Canada's planned transfer to Toronto of heavy maintenance "C" checks on wide-bodied L-1011 and B-747 aircraft has been blocked—

That is, by the Minister of Transport

—despite the fact that nearly all wide-bodied aircraft operations are centred in Toronto.

Is the minister involved in deciding whether the maintenance facilities should be removed from Dorval to Toronto for the maintenance of wide-bodied aircraft in Toronto, as most of them are there overnight, and could he give a clearcut decision on whether the final decision to put some type of operation in this hangar in Winnipeg will be left entirely with Air Canada officials?

**Mr. Lang:** That is the intention. I say again to the hon. member that if he believes the information from that group, which is always erroneous, he is making a serious mistake. No decision has been arrived at, and as usual—

**Some hon. Members:** Oh, oh!

**Mr. Lang:** I think the Tories over there should realize they are dealing with a fairly extreme group which advises the hon. member for Winnipeg South Centre, and I hope he is the only one who believes them.

**Some hon. Members:** Hear, hear!

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#### NATIONAL DEFENCE

##### REPORTED SHIPMENTS OF ARMS FROM NEW BRUNSWICK TO ANTIGUA

**Mr. Elmer M. MacKay (Central Nova):** Mr. Speaker, I have a question for either the Acting Secretary of State for External Affairs or the Minister of National Defence. Is the minister aware of a company named Space Research Corporation operating at a site which transcends the Canada-U.S.A. border near Highwater, Quebec, and Troy, Vermont, and if so could one of the ministers confirm reports that this corporation is involved in the manufacture, development, testing, shipment and international sale of armaments which include guns, shells and types of missiles? There are reports that such armaments

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have from time to time been shipped from Saint John, New Brunswick, to Antigua in the West Indies.

**Hon. Barney Danson (Minister of National Defence):** No, Mr. Speaker, I cannot confirm such allegations.

**Mr. MacKay:** Would the minister undertake to check into these reports and report to the House at his early convenience?

**Mr. Danson:** Yes, Mr. Speaker, I will speak to my colleague, the Secretary of State for External Affairs, on his return.

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#### FINANCE

##### REQUEST FOR DETAILS OF REDUCTIONS IN EXPENDITURES

**Hon. Robert L. Stanfield (Halifax):** Mr. Speaker, my question is directed to the President of the Treasury Board, who will no doubt recall that the Minister of Finance said on budget night that expenditure targets were being reduced by \$350 million, without any specification. Could he indicate to the House where those cuts amounting to \$350 million are being made?

**Hon. Robert K. Andras (President of the Treasury Board):** Mr. Speaker, the initial way in which we will do it will be to remove that from the reserve which was established in the expenditure plan totalling \$48.8 billion. As I announced in the House on February 22, there will be a \$350 million immediate reduction in the reserves available for new submissions for supplementaries. As to distributing that between the various departments, it will depend very much on what the submissions will be which will be rigidly restrained to the point where that money will not be spent.

**Mr. Alexander:** More flimflam.

**Mr. Stanfield:** If I were to say to the minister that this means no cut at all, or that the money was not necessary in the first place, would he have any response to that?

**Mr. Andras:** No, I would not agree that that is the proper interpretation. May I remind the hon. member and the House that last year when the then minister of finance, in his March 31 budget, announced certain tax concessions that were to be made, it was then agreed, and publicly announced, that the previously stated spending total for the fiscal year 1977-78 would be reduced by \$670 million; in fact, from \$45.12 billion to the final target for spending of \$44.45 billion. We accomplished that. In fact, the other day I was able—the Minister of Finance announced it the other night—to indicate to the House that we will in fact come in \$200 million below that final target. So I think it is evident that when we say that cut will be made, it will be made.