

VETERANS AFFAIRS

PLIGHT OF VETERANS RESIDING ABROAD

Hon. Jack Marshall: I would like to turn to a problem with regard to veterans affairs, and such problems come to my attention on a daily basis. For some reason or other, Canadian veterans who decided to stay in foreign countries after the war—for health reasons, because they like the warmer climate, or what have you—have to return to Canada for 365 days in order to qualify for war veterans' allowances. The irony of the situation is that if a veteran returns from, say, England to Canada, he immediately receives his war veterans' allowance, but he has to remain in Canada for one year, separated all the time from his family and children. At this stage of the game, when World War II veterans are in their sixties, some relief must be given so that these people can qualify, no matter where they are located.

I wonder if the Leader of the Government could bring this matter to the attention of the Minister of Veterans Affairs so that it may be considered in the very near future, before it is too late.

Hon. H. A. Olson (Leader of the Government): I will take the question as notice.

CANADIAN WHEAT BOARD

MCDONALD'S RESTAURANTS OF CANADA LTD.—ISSUANCE OF PERMIT FOR IMPORTATION OF BUNS

Hon. Gildas L. Molgat: Honourable senators, I would like to address a question to the Minister of State for the Canadian Wheat Board. Some time ago I sent a copy of a Manitoba Government, Information Services Branch, news release to the minister. It related to a problem in Manitoba concerning the importation of buns by McDonald's and the fact that there was a permit issued by the Canadian Wheat Board to permit this even though it seems to go against the policy of "Buy Canadian." Since then I understand that the Wheat Board has issued a further permit. I wonder if the minister could tell me what is the situation in this regard and whether or not the government intends to take action on the matter?

Hon. Hazen Argue (Minister of State for Canadian Wheat Board): I thank the Honourable Senator Molgat for having sent me notice of his question.

Hon. Martial Asselin: A planted question.

Senator Argue: I have received representations on this subject from a number of people, including the Minister of Labour of Manitoba, the Honourable Mary Bert Dolan. I, too, am concerned that the decision not to buy buns from McGavin's, which is a Canadian company, has reduced sales and forced layoffs in this Canadian industry, in a number of provinces. However, while I share the concerns, I must point out that there are a number of factors to consider in regard to this matter.

Canada enjoys a substantial surplus in the two-way trade in bread and bakery products with the United States. In 1981

Canada exported about \$58 million worth of bread and baked products to the United States while it imported \$29 million worth of similar products. That means, of course, that Canada exports twice as much as it imports. I understand the value of the McDonald's imports is about \$8 million, so even with this large sum under consideration we still have a very favourable balance.

I suggest that we must be concerned about the possibility that Canadian protectionism to limit imports could lead to retaliation and a limit on our exports. We could, in fact, stand to lose more jobs than we might hope to gain by the action being requested. Also, since Canada is a signatory to the General Agreement on Tariffs and Trade, any actions we take must be consistent with the GATT agreement.

Finally, regarding the import permit issued by the Canadian Wheat Board, this was a 45-day permit. The honourable senator is quite right that it has been re-issued. The permit was approved on the understanding that McDonald's would provide progress reports on their efforts to find a Canadian source of buns. McDonald's has cancelled its contracts with McGavin's because of dissatisfaction with the quality of buns supplied by McGavin's in certain provinces—Manitoba, Saskatchewan and British Columbia. It is worth noting that the Calgary plant continues to supply Alberta buns. Indeed, one of the options being considered is to supply some of its prairie outlets from the Calgary plant.

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I have urged McDonald's to return to a Canadian supplier as soon as possible. The company has since assured the Wheat Board that importing hamburger buns is only an interim measure and that alternative sources of supply, as I have outlined, are being pursued.

The Canadian Wheat Board has issued an import permit for 244,000 dozen hamburger buns during the 45-day period from November 16 to January 1. The buns covered under this permit will be imported for McDonald's Restaurant outlets in Manitoba and Saskatchewan. The board issued the permit on the basis of a progress report provided by McDonald's Restaurants on efforts to obtain a Canadian source of supply.

Senator Asselin: This is a speech you are making.

Senator Argue: Well, it is a fairly comprehensive answer.

Senator Asselin: May I have a copy of it?

Senator Argue: The Canadian Wheat Board is satisfied that McDonald's is actively pursuing a Canadian source of supply for its buns. My office has been in consultation with Ron Marcoux, Executive Vice-President of McDonald's western region, who confirms that René Fleury has received a contract from McDonald's to build a bun plant in British Columbia.

An Hon. Senator: Ha, ha!

Senator Argue: I think this information is rather encouraging, in light of the difficulties that have arisen in British Columbia. Honourable senators may laugh, but it is important to the people of Canada to have these jobs available. The situation is improving in British Columbia, and efforts are