

in the union or not. Under those circumstances, on the 15th of June, 1886, the people declared by an overwhelming majority that they wished to withdraw from the union. Well, sir, I think that had something to do with the action of this government in afterwards passing those minutes of council in reference to railroads.

That quote was from *Hansard* of May 6, 1887, at page 311. The "short line" provides for the national government an additional capability to maintain the rail link with New Brunswick as required by the constitution.

If a derailment or other mishap should interrupt rail movements on the main line between Oxford and Truro, Nova Scotia's rail link with New Brunswick and the rest of Canada would be broken. The "short line" presently provides the opportunity for the maintenance of the rail link.

Mr. Speaker, I see my time is up. May I simply say in closing that we would like to hear less double-talking, or perhaps it was double-crossing, of the west, and more action to keep the existing rail system in operation in Nova Scotia.

Mr. Robert Bockstael (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I have very little to add in answer to the hon. member's question beyond what the minister has already stated to him in the House and in correspondence.

An application for abandonment of this particular line was first made in 1963 and resubmitted in April of this year. In the interim the railway has continued to operate the line and will continue to do so until it is authorized to abandon it. I think it is generally known that the Canadian Transport Commission must decide whether to allow the abandonment or not. If it does not, the CTC may compensate the railway for its losses. In any case, public hearings are required and 30 days' notice must be given to interested parties. To my knowledge the CTC has not yet indicated when it will hold hearings. I suppose one could be tempted to accuse the regulatory agency of being rather slow in this case, but I doubt if that is the hon. member's intention.

Pending a hearing and decision by the CTC it would not seem proper for the minister to indicate a preference on the future of the line. As recorded in *Hansard* on June 11, the minister pointed out there are certainly avenues of appeal once the decision is made. In the meantime, however, it is the minister's intention to let the matter run its proper course.

CANADIAN FILM DEVELOPMENT CORPORATION—RESIGNATION OF MICHAEL MCCABE—AMOUNT OF SEVERANCE PAY

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, on May 21 I rose in the House to ask the Secretary of State (Mr. Fox) the circumstances under which Mr. Michael McCabe had left the employ of the CFDC. Specifically, my question had to do with the report that Mr. McCabe had, in fact, resigned as the executive director of the CFDC. The word among the industry people was that having resigned he was granted one year's salary. In answer to an order paper question several weeks ago, I believe, the salary pegged for the executive director was in the range of \$50,000 to \$60,000 per year.

Adjournment Debate

That is not bad severance pay. In the annual report of the Canadian Film Development Corporation, dated June 1, 1980, under the heading "Management" we find the following:

On June 1, 1980, Mr. Michael McCabe resigned as the corporation's executive director.

• (2210)

According to the records he did, in fact, resign. I asked the minister whether it was not rather strange behaviour and a little generous to someone who had resigned to give him an extra year's salary. Did Mr. McCabe resign? Was he squeezed out, or was he fired?

Other questions followed: What did Mr. McCabe do after his so-called resignation? Is it true he is involved in another business? The minister said, as reported at page 1260 of *Hansard*:

He indicated in his letter of resignation that he felt he had made his contribution to the corporation, that he wished to return to the private sector, and he thought this was the best time to leave the corporation so that he could pursue his own private interests in the future.

What were Mr. McCabe's own private interests in the future? If the conflict of interest guidelines of the Prime Minister have any relationship to what senior executives of Crown corporations do, I wonder what Mr. McCabe is doing now. The word is he is now working with a firm called Film Accord of Montreal, even though he is apparently living in Toronto. My question is this: how much business is that company, Film Accord, doing with CFDC? Could it be that Mr. McCabe has spent several years working with the Canadian Film Development Corporation in order to cultivate connections with the film industry, to form his own consulting firm and thereby reap the benefits of the lines of communication he established with the government while he was a member of the Canadian Film Development Corporation? I wonder whether the Prime Minister's guidelines should apply to Mr. McCabe.

Is it true that he is receiving \$50,000 or so in salary even though he is no longer connected with the corporation? Is Mr. McCabe in a conflict of interest situation vis-à-vis the Prime Minister's guidelines? I understand he spent a lot of time at the film festival in Cannes where the CFDC together with the NFB spent thousands of dollars pushing Canadian films which did not get anywhere. A yacht was rented as part of the promotion for those films. I understand also that Mr. McCabe spent considerable time in California apparently pushing Canadian films. How successful was Mr. McCabe in peddling Canadian films in California? Did the board of directors ever demand an accounting of the time spent by him in California? How was he spending his time? Was he successful? How much in the way of sales did he achieve for the CFDC or for those films which CFDC helped to finance?

Finally, I understand that Mr. McCabe went as part of a production company to help film the movie "Bethune" in mainland China. In the annual report of the CFDC there is a list of all the films which the CFDC helped produce in 1979. Nowhere in that list of films which they helped to finance is a film called "Bethune". If my memory serves me correctly, that