

*Proceedings on Adjournment Motion*

means so much to the economy of the Atlantic provinces. I would ask him to again seek the co-operation of his colleagues in the cabinet in having one of these destroyer escort conversion jobs placed at the Halifax shipyards and the Saint John drydock.

**Hon. C. M. Drury (Minister of Industry):** Mr. Speaker, the hon. member has dwelt at some length on the cut-backs in contracts in respect of defence operations. I have tried to make clear, inside the house and outside it, the nature of the reduction in the work load in respect of aircraft. This is the direct and inevitable consequence of technical change in the air industry and among aircraft users in Canada. This is not part of a deliberate policy to reduce; it is a consequence of technological change; and the simple fact is that aircraft are becoming fewer in the numbers required to do a major over-all job. They are becoming more efficient individually and more costly, and as a consequence fewer are required and fewer can be afforded. Because there will be fewer aircraft in the total pool there will be fewer to be overhauled and repaired.

While the government, and particularly myself, have every sympathy with those aircraft repair firms, and especially their employees, who are suffering as a consequence of this, the government, and in particular the

Department of Defence Production, have been at pains to endeavour to find alternative types of work for these aircraft plants, principally through the production sharing program with the United States, and I would point out that such contracts are obtained in a price competition with United States firms and call for efficiency, energy and capability on the part of the firms seeking replacement contracts.

There is no serious possibility of hoping that the Royal Canadian Air Force will substantially increase the number of aircraft in its inventory in order to meet particular needs of aircraft firms which have not as much overhaul and repair business as they have had in previous years.

**Mr. Deputy Speaker:** Order. The minister's time has expired—

**Mr. Muir (Cape Breton North and Victoria):** On a point of order, the minister has replied to aircraft production but has not replied on the basic matter I raised, dealing with destroyer escort jobs.

**Mr. Deputy Speaker:** I would suggest to the hon. member that he ask another question and have another opportunity of discussing it on the adjournment debate.

Motion agreed to and the house adjourned at 11.17 p.m.

[Answer to question No. 1,123 referred to on page 5495 of July 15 issue.]

**Answer:** 1. Last May 14, a communication received from the ambassador of Denmark indicated his government's concern about the possible sale, on the British market, of Canadian butter which has been in storage since 1960-61. (a) The ambassador pointed out that butter production in Europe was on the increase and expressed the view that exports of Canadian butter to traditional markets below market price should be avoided. (b) The Canadian reply pointed to a shortage, on the British market, of butter which the traditional purveyors could not meet in the required amounts and within the time limits provided. Butter imports in Great Britain

are subject to quotas, and the British government issued additional permits for import from North America only under the threat of increased prices; such permits were meant to supplement rather than to displace purchases from other supplying countries. Under the circumstances, the sale of Canadian butter was not likely to be prejudicial to the commercial interests of those other countries.

2. No. See answer to part 1 above.

3. There is no special agreement in this regard between Canada and Denmark, but the government of Canada has given assurances, on the international level, that in disposing of its farm surpluses, it would avoid any prejudice to the commercial interests of other supplying countries.