

Inquiries of the Ministry

the Minister of Mines and Technical Surveys. My question is based on the fact that the 90-day survey period agreed on between Atomic Energy of Canada and General Electric with a view to establishing a second heavy water plant has now elapsed. Can the minister inform the house where this plant will be located and when construction will commence?

Hon. Jean-Luc Pepin (Minister of Mines and Technical Surveys): Mr. Speaker, the last time I inquired negotiations were still going on. I will inquire again today and will give an answer tomorrow.

NATIONAL DEFENCE**PAY INCREASES FOR AIR FORCE PERSONNEL**

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): I direct this question to the Minister of National Defence. In view of the rather numerous reports which are current about a special pay increase for pilots in the air sector of the defence forces, is the minister in a position to advise the house whether this is a fact and, if so, when he expects to make the announcement? I can assure the minister that this matter is causing a great deal of controversy and unrest in the forces.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, this question has been under study for some time. It is a matter of government policy and will be announced in the usual way.

Mr. Lambert: A supplementary question. In that case, will the minister explain to the house why certain commanding officers have held "O" groups and announced this to the personnel of their squadrons?

Mr. Hellyer: No, Mr. Speaker, I cannot explain that.

[Translation]

FINANCE**GUIDE LINES INSTRUCTIONS TO U.S. SUBSIDIARIES**

On the orders of the day:

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, may I put a question to the Minister of Finance?

Did the minister or the government issue counter-guide lines to Canadian subsidiaries of American firms, and does the minister plan to make them known to the house soon?

[Mr. Southam.]

[English]

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, I am not sure I fully understand what the hon. member is asking. The whole question of policy with respect to the United States guide lines and their effects upon Canada and upon the sort of policies that Canadian subsidiaries ought to follow in these circumstances is being studied quite urgently by the government today. As the house knows, the United States made it quite clear that they do not expect Canadian subsidiaries to act as other than good citizens of Canada, and that will be the purpose of any instructions or guide lines which we ourselves would issue.

AIR TRANSPORT**REPORTED REDUCTION IN INTERCITY SERVICE IN WEST**

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I ask this question because of the interest in it of people in Prince Albert, Saskatoon, Regina and so on. It is a question to which reference has already been made and is in connection with the termination of the air service between these various points in Saskatchewan and others.

Is consideration being given to having Air Canada provide this service? This area has had private air service and passenger air service over the years, so I am wondering what the minister has to say in this connection. The situation will be very serious if this service is removed.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I quite agree that this is a very serious problem. The right hon. gentleman probably knows that one route from Yorkton to Saskatoon has I think, ceased to operate, because there was virtually no traffic on it.

With regard to all the other routes now being flown by TransAir, until there has been a public hearing the Air Transport Board has declined to accept their view that they should terminate the service. As a result of that public hearing the board might or might not approve their application. I may say that the government is also giving the most urgent consideration possible to the problem, not only of the regional carrier on the prairies but of the regional carriers in Canada, because