

asked about the redemption and competitive factor of Canada Savings Bonds. The answer is rather lengthy and if honourable senators agree I will place it on the record as having been read.

The Hon. the Speaker: Honourable senators, is it agreed?

Hon. Senators: Agreed.

Senator Olson: Senator Doody asked:

Will the minister indicate what steps the government has taken or intends to take to make Canada Savings Bonds competitive with the investment interest rates in the private sector?

He then asked this supplementary question:

What is the current rate of investor redemption? How many bonds and of what value have been redeemed or cashed in to date this year and how does that compare with redemption for the previous two years?

The reply is as follows:

The present redemption trends with respect to Canada Savings Bonds are being carefully monitored by the government. No decision has been taken to improve the yield on outstanding issues, all of which presently pay 12 per cent in the year ending November 1, 1980, and 10½ per cent each year thereafter to maturity either through a cash bonus payment at maturity or at the time the bond is redeemed.

While the present level of Canada Savings Bonds redemption is considerably higher than normal, any decision with respect to a change in the yield on these bonds would have to be taken in consideration of the best interests of the taxpayers as well as the holders of Canada Savings Bonds. In view of the very high level of interest rates presently prevailing, a yield adjustment on Canada Savings Bonds would be very costly to the government and might well exceed the cost of substituting other forms of government debt to offset the loss of funds now occurring as a result of Canada Savings Bonds encashments.

In response to the honourable senator's supplementary question regarding the current rate of investor redemption and how many bonds and of what value have been redeemed or cashed in to date this year, I wish to state that to date in the calendar year 1980 gross Canada Savings Bonds redemptions have been about \$1.3 billion. Over a similar period in the calendar year of 1979 and 1978 gross Canada Savings Bonds redemptions were about \$975 million and \$355 million respectively.

INDUSTRY

ASSISTANCE TO SYDNEY STEEL CORPORATION

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, I have an answer to a question posed by Senator Muir on Thursday, April 17, related to SYSCO. The question was:

Will the minister indicate just how soon some possible financial assistance might be forthcoming for the Sydney Steel Corporation?

The reply is as follows:

I wish to assure the honourable senator that the Government recognizes the importance of employment at SYSCO to the economy of Sydney, Cape Breton, in particular and to Nova Scotia and the Atlantic Region.

Since 1977 the Government of Canada, through the Department of Regional Economic Expansion, and the Government of Nova Scotia have provided joint funding in an amount of \$27 million for projects relating to capital work and equipment at SYSCO as well as for business planning studies. These business studies were aimed at seeking means of developing a self-sufficient steel industry for Cape Breton.

This government reaffirms its willingness to discuss viable future options for Sydney Steel with the Government of Nova Scotia and with management of Sydney Steel Corporation. We are awaiting further information from the Government of Nova Scotia and management at SYSCO. Meanwhile, officials of both governments are continuing discussions.

● (2140)

ASSISTANCE TO AEROSPACE INDUSTRY

Hon. Duff Roblin (Deputy Leader of the Opposition): Honourable senators, may I ask a supplementary question of the honourable the minister respecting government assistance to the aerospace industry? I take it from what he read that there are no new programs envisaged as being necessary in that connection?

Hon. H. A. Olson (Minister of State for Economic Development): Honourable senators, there are no new programs that are being designed. I would want to examine the question more closely, but there may be some additions under existing programs such as have been described. I am not certain that all that was under way has been completely approved and announced.

It is not a new program, but it may be an extension of a program such as DIPP or RDIA, but no new specific programs for that fighter aircraft acquisition.

Senator Roblin: I thank the honourable the minister. My feeling is that some of the current programs will be developed to the point where one might say that this really is a new concept or a new aspect of the matter we are pursuing. I would appreciate any information that can be obtained.

My second question, which I believe was involved in my first, is: What will be the cost of this, because while these various programs may have been in place for some time, obviously when a new program of this magnitude is introduced, I suspect it will alter the financial contribution and will be much greater than would otherwise be the case.

What new money, under whatever program, will be found by the Government of Canada to help the aerospace industry in this connection?