

*Oral Questions***EXTERNAL AFFAIRS****REQUEST THAT GOVERNMENT WIDEN CONTACTS WITH  
PALESTINE LIBERATION ORGANIZATION**

**Mr. Ian Watson (Châteauguay):** Madam Speaker, my question is directed to the Prime Minister. In light of Mr. Arafat's signed statement Sunday, accepting all U.N. resolutions relating to the Palestinian question, will the Prime Minister now undertake to move toward implementing the recommendations of the 1979 Stanfield report respecting the Middle East, which urged the broadening of contacts with the PLO?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, I would certainly want to support the Secretary of State for External Affairs when he cautiously saw this alleged statement by Mr. Arafat as an interesting development. At this stage I think we are trying to ascertain what was actually said, and its significance. But I think it would be a very important step forward if the PLO were to recognize the right of the State of Israel to exist, because we think that would be an important step forward in recognition of a homeland for the Palestinian people, which is a position that this government supports.

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**FISHERIES****WEST COAST HALIBUT QUOTAS**

**Hon. John A. Fraser (Vancouver South):** Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. The minister will perhaps remember receiving a letter from me last week concerning potential halibut quotas on the west coast. Can the minister tell us whether the report which has been drafted for him by the advisory group on the west coast with respect to halibut quotas has reached his desk? Can the minister tell this House what those halibut quotas will be and when they will go into effect?

**Hon. Roméo LeBlanc (Minister of Fisheries and Oceans):** Madam Speaker, I was advised this morning that the report was on the way, and it will obviously be the subject of discussion by the advisory council. At that time I will be able to answer the hon. member's question. I regret that I have not seen his letter.

**Mr. Fraser:** I thank the minister for his courtesy.

**REQUEST THAT FISHERMEN BE CONSULTED**

**Hon. John A. Fraser (Vancouver South):** The minister will know, when he checks with his officials, that I have received at least 108 letters from fishermen in the halibut sector on the west coast, complaining very bitterly about the proposed halibut quota. Can the minister tell us whether these people and others who would join with them in these complaints will have a chance to register their concerns with the minister before any final decision is made?

**Hon. Roméo LeBlanc (Minister of Fisheries and Oceans):** Madam Speaker, I would presume that these fishermen are represented by their organization at the council. The difficulty in this case is in determining whether there is enough halibut to go beyond those fishermen who are mainly dependent on halibut and whether it can be shared more widely with fishermen with other types of gear who have access to salmon, herring and other species. That is a debate which will be going on for some time, and we will try to come up with the best solution.

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**NATIONAL ENERGY PROGRAM****TAX ON PROCESSED ETHANE—EFFECT ON PETROCHEMICAL  
INDUSTRY**

**Hon. Don Mazankowski (Vegreville):** Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. As the minister knows, Canada's petrochemical industry is in a severe slump. In the province of Alberta alone, some 12 petrochemical plants have either been cancelled or delayed indefinitely. One of the main reasons is the fact that under the National Energy Program, ethane, which is the basic raw product used in the petrochemical industry, is taxed when it is processed for export purposes but, while in its raw form, it is not. This creates an anomaly that militates against the further processing of this raw product.

Representations have been made to the members of cabinet, including the minister himself, by the minister of economic development of the province of Alberta, specifically on April 16. The minister of economic development in the province of Alberta warned the Minister of Energy, Mines and Resources that this tax treatment could inflict permanent damage upon the petrochemical industry in Alberta and, indeed, in the rest of Canada. Is the minister actively reviewing this tax treatment, and what response has he given to the minister of economic development of the province of Alberta?

**Hon. Marc Lalonde (Minister of Energy, Mines and Resources):** Madam Speaker, I already answered the economic development minister of Alberta on this subject when I told him that a task force headed by the Department of Regional Industrial Expansion has been set up to review the situation involving the petrochemical industry. But I want to point out to the hon. member that the tax in question has a very minimal impact indeed on the petrochemical industry. The fact is that the petrochemical industry throughout the whole world is going through very difficult times at present.

The hon. member knows, for instance, that in Japan a very large part of the petrochemical industry closed down, that in the United States the petrochemical industry is going through very difficult times, and that the same thing is happening in Europe. So the problem is related to a situation of declining demand for petrochemical products throughout the whole world, due to the recession. The fact that Canada has an exchange rate advantage is helping our industry to compete in