

Inquiries of the Ministry

• (2:50 p.m.)

[Translation]

INCOME TAX**QUEBEC—REQUEST THAT BILL BE STUDIED BY FEDERAL AND PROVINCIAL GOVERNMENTS—SUGGESTED ONE-YEAR DELAY IN IMPLEMENTATION**

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to put a question to the hon. Acting Prime Minister.

Is the government ready to comply with the request of the Quebec Prime Minister who asks, first, that there be a joint federal-provincial study of the tax provisions on international undertakings before the tax reform bill is passed and, second, that implementation of the new tax system be delayed for one year because of its complexity and the numerous difficulties involved in its interpretation and implementation?

[English]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is my understanding of government policy that the government intends to proceed with the tax legislation that is before the House.

Mr. Stanfield: Mr. Speaker, I feel it necessary to raise a question of privilege in view of what the Acting Prime Minister said a moment or two ago when explaining the answer he had given to the House yesterday in responding to a question from me as to when the government had first learned of the leak of a cabinet document. He said in part, as recorded at page 9595 of *Hansard*:

I now find that there appeared in one newspaper on Saturday, one that I had not seen and that the Prime Minister had not seen, what purported to be an extract from a cabinet document. If at that time we had realized that the document had been revealed, then the inquiry would have been launched immediately. One was launched as soon as there was some evidence that there had been a breach of cabinet security.

The Acting Prime Minister apparently said something different outside the House and he evidently feels it sufficient, having given that answer to me yesterday, to come into the House today and say that he had no opportunity to make a correction before the House. I have to say in all sincerity, Mr. Speaker, that the answer the Acting Prime Minister gave me yesterday was wrong.

Mr. Nielsen: It was not true.

Mr. Stanfield: It is an affront to this House that he should have gone outside and made a different statement and then have seen no reason when he came back into the House to seize the first opportunity to correct what he had said in the House and also feel no necessity to do so today. I must say that as the Leader of the Opposition I feel aggrieved. I feel I have a real grievance and that members of the House have a real grievance in that the Acting Prime Minister has failed to correct what he said in the House. I feel that this constitutes a breach of the privileges of this House by the Acting Prime Minister.

Some hon. Members: Hear, hear!

Mr. Sharp: Mr. Speaker, if I have in any way offended the House it was quite inadvertent, and I make a profound apology. If I had had the information at the time the hon.

[Mr. Sharp.]

member asked me the question, I would have so answered it then.

An hon. Member: Obviously the minister had it.

Mr. Sharp: There were inquiries under way at that time and it seemed to me that this was not a matter of very great importance. However, I regret that I appear to have offended the Leader of the Opposition, and I apologize.

* * *

THE CANADIAN ECONOMY**FOREIGN INVESTMENT—TIME OF POLICY DECISION**

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, my question is for the Acting Prime Minister. In his statement in the Commonwealth Room yesterday he mentioned on a number of occasions the tremendous amount of confusion that has resulted from leaks of government information to the press and he indicated that in order to clear up the confusion there is necessity for an immediate decision on this matter. Can the Acting Prime Minister tell the House when he expects a decision will be rendered in this regard?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I speak for all my colleagues when I express the hope that it will be as soon as possible.

Mr. Coates: Can the Acting Prime Minister assure us that a decision will be rendered regardless of the problems associated with the 10 per cent surcharge and other problems in the United States?

Mr. Sharp: Mr. Speaker, I think it is important that government decisions be taken in light of all the facts, but I can assure the hon. member that the 10 per cent surcharge has very little to do with it.

Mr. Speaker: Order, please. I hope the hon. member for Red Deer has accepted the explanation I attempted to give him a moment ago and is now prepared to ask his supplementary. I would be delighted to hear from him.

FOREIGN INVESTMENT—CESSATION OF POLICY FORMULATION BECAUSE OF POSSIBLE UNITED STATES RETALIATION

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is supplementary to the original question asked by my leader. It is directed to the Acting Prime Minister. In view of the fact the Acting Prime Minister stated yesterday that any public consideration by the government of foreign investment policy at this time would muddle present talks or relations with the United States, has the government halted its policy-making on foreign investment because it might lead to United States retaliation at this time or because it fears a hardening of the United States position on the surcharge?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, what I said was that the confusion which resulted from leaks from Cabinet was not helping in the discussions with the United States. But I think we should make up our