

Oral Questions

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of National Health and Welfare, who is not in the House today, has demonstrated great leadership in the social sphere, including the very important question of AIDS, research, and how to fight AIDS. He is working very closely with the provinces who have specific jurisdiction over and a special responsibility in this area, but I can assure you that the will and the resources required to undertake this great national and provincial offensive against such a serious disease will not be lacking.

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TAX REFORM

IMPACT ON OLD AGE SECURITY PENSIONS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and concerns tax reform. Some senior citizens I met on the week-end expressed their concerns about tax reform, because they remember how Old Age Security pensions were deindexed. Could the Prime Minister promise senior citizens that his Government will not take advantage of tax reform to put a surtax on Old Age Security pensions and tamper with the principle of universality?

[English]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member knows that the object of tax reform is in fact to lower taxes for the vast majority of Canadians and especially for lower-income Canadians. That commitment is clear, and details on how it will be done will be outlined on June 18.

[Translation]

Mr. Malépart: I have a supplementary, Mr. Speaker. For the first time I feel like saying in English: Don't touch the senior citizens. Mrs. Denis watches you, Mr. Prime Minister.

REQUEST FOR GUARANTEES IN FAVOUR OF ELDERLY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): My supplementary for the Minister of State or the Prime Minister is as follows. The Prime Minister is aware that senior citizens are now allowed two tax exemptions, one because of their age, and one in terms of their pension income, which means they save \$650 million annually in income tax. Could the Prime Minister promise senior citizens that whatever changes may be made as a result of tax reform, these \$650 million will be used to upgrade programs for the elderly and not to reduce the deficit?

● (1425)

[English]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I should remind the Hon. Member this Government

has brought in major changes to the pension system. That is the first important point. As to his particular concern, tax reform will make clear the position of that age and income group, and it would not be appropriate to reveal that before that time.

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ENERGYPROPOSED PURCHASE OF DOME PETROLEUM BY AMOCO
CANADA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. There is a story on *The Financial Times* news service today about the proposed takeover of Dome Petroleum by Amoco. According to that report part of the secret information in the preliminary deal between the two companies could mean that the takeover could be finalized as early as the next 24 hours. Is the Government aware of the contention that one of the basic points of that agreement, if it is reached in the next 24 hours, is that any counter-bid from any other source could be effectively squelched?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I can only advise the Hon. Member that, according to the knowledge I have, there has been no formal deal presented either to Investment Canada or to Energy, Mines and Resources. Until such time it would be inappropriate to comment further.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question is directed to the Prime Minister or the Deputy Prime Minister, whoever is answering on this very important matter. The Government has always contended there was a possibility of counter-bids being considered. If this report is accurate and the signing takes place within the next 24 hours, that rules out any other possibility. Is the Government then going to stand back and let bankers in Toronto, financiers in Zurich, and company shareholders alone determine what the public interest should be in this crucial takeover?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Leader of the NDP said, "If this report is accurate". That is a very important qualifier. Until such time as all the facts are ascertained it is really inappropriate to comment on sheer speculation.

This decision has to be made by the shareholders of the company. They are in a position to make that decision. When it is made and the proposal is presented to the Government of Canada it will be examined in the normal course as it relates to Investment Canada, the Department of Consumer and