

Inquiries of the Ministry

[English]

MANPOWER**LAY-OFFS BY MICROSYSTEMS INTERNATIONAL—USE OF FUNDS ALLOTTED TO COMPANY BY GOVERNMENT**

Mr. Stanfield: Mr. Speaker, again expressing disappointment that the minister is encouraged by this reduction in employment in these labour-intensive industries, I should like to ask him whether he would at least immediately review his decision to maintain in effect the 3 per cent increase in income tax which is to become effective on January 1 next?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would think the stimulus given to the industrial part of the economy will be a welcome remedy for the particular factors to which the hon. gentleman is referring.

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INDUSTRY**MICHELIN TIRE COMPANY—POSSIBLE EXEMPTION FROM CUSTOMS DUTIES ON CERTAIN IMPORTS**

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Finance. In view of the fact that the employment prospects of some 11,000 rubber workers in Ontario and Quebec hinge upon the government's decision in the Michelin case in Nova Scotia, would the minister for once give us a clear answer to the question of whether or not the government has given the Michelin Corporation the right to import certain tires into this country duty-free for two years or does it intend to give that right in the near future?

Hon. John N. Turner (Minister of Finance): I have already been clear about that. Whatever the decision is, it will not affect the Ontario part of the industry in the way the hon. member alleges.

Mr. Broadbent: I have a supplementary, Mr. Speaker. I want to phrase it politely. The minister suggested he has made the answer clear, but with respect I suggest it is anything but clear.

Mr. Speaker: Order, please. The hon. member will appreciate that whether or not a question is clear is debate. The hon. member and the minister could spend quite a bit of time on this point.

Mr. Broadbent: I will rephrase the question, Mr. Speaker. Will the minister answer this question: Has the government granted the Michelin Corporation such a right or does it intend to do so in the future?

Mr. Turner (Ottawa-Carleton): I have said to the hon. member on two occasions that the government has not granted that right.

[Translation]

Mr. Speaker: Does the hon. member for Richmond wish to ask a supplementary? If not, the Chair will recognize the hon. member for York South.

Mr. Beaudoin: No, Mr. Speaker.

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Manpower and Immigration arising out of a report that Microsystems International has laid off some 50 employees and plans to lay off more. In view of the fact that Microsystems International has been allotted more than \$31 million under the defence industry program, of which over \$8 million was spent by March 31, 1971, and in view of the fact that Microsystems International sells its products to Northern Electric of which it is a wholly-owned subsidiary, has the minister looked into the matter of these lay-offs and whether there will be further lay-offs and has he discussed the question of the allotment of funds to that company in view of the lay-offs?

Hon. Bryce Mackasey (Minister of Manpower and Immigration): Mr. Speaker, I think the hon. member will agree there are many questions in his question. The Department of Manpower, of course, is aware of the lay-offs and can only place at the disposal of the company the traditional facilities of the department and provide the facilities at our disposal for the people who are unemployed. I have tried to find out as precisely as possible the future prospects of employment in Northern Electric and intend to visit that company personally some time next week.

Mr. Lewis: Mr. Speaker, may I direct a supplementary to the Minister of National Defence under whom I believe the defence industry program comes. It has been indicated that it comes under the Minister of Industry, Trade and Commerce. May I ask that minister whether there have been any discussions with this subsidiary of Northern Electric about the very large sum of money allotted to it and whether it is using that money properly in view of the lay-offs which are now taking place and are threatened for the future?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the fact that a company receives money from the government for one reason or another, be it regional development or research and development, does not assure that the company will not experience any difficulties for centuries to come. Indeed, I do not really understand the purport of the question in the way in which it is formulated now.

Mr. Lewis: Mr. Speaker, may I formulate the question again and perhaps make it clear. In view of the very large allotment of funds to Microsystems International and in view of the fact it claims to have had losses through sales to its parent company and therefore is laying off people—all its sales are made to Northern Electric, its parent corporation—I ask the minister whether he intends to look into the situation to see whether the funds which the government has made available and has undertaken to make available in the future are being used in a proper way or whether the company is not carrying on its busi-