

*Oral Questions***INCOME TAX****APPLICABILITY OF ACT TO PROVINCIAL CROWN CORPORATIONS**

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of National Revenue. It has to do with the plan of the Government of Saskatchewan to nationalize the potash industry in that province. In the event such nationalization takes place the loss to the federal treasury in company taxes would be very heavy. I ask the minister whether or not, having regard to the developments which are taking place along this line, not only in Saskatchewan but elsewhere, the government will bring in legislation to provide that a corporation set up by a provincial government in the course of nationalizing an industry within a province will still be liable for income tax?

Hon. Jack Cullen (Minister of National Revenue): I do not think we need new legislation. I believe the Minister of Finance has indicated that such a corporation would be liable to taxation.

Mr. Diefenbaker: To make it perfectly clear, if this potash industry is nationalized, can the minister say directly that the company set up by the government, the government agency, will be liable for income tax? If so, I would think there would be general approbation.

Mr. Speaker: Order. I do not like to interfere with a line of questioning but the right hon. gentleman is asking, first of all, whether something might happen after a certain event has taken place, and that is somewhat hypothetical. Moreover, he is asking the minister for a legal opinion here in the House. Perhaps the question might be rephrased. If the minister wishes to answer, I do not want to obstruct the right hon. member; it is a point which I am sure is very interesting to all members. As it is, the right hon. gentleman is asking the minister to give a legal opinion and, moreover, to presuppose the existence of certain circumstances which do not exist now and are therefore hypothetical.

Mr. Diefenbaker: Mr. Speaker, there is nothing hypothetical about that question. It is being carried out and I am asking whether or not the Canadian people as a whole are to be denied the company income tax. It is as simple as that. It does not ask for a legal opinion in any way, with great deference to Your Honour.

Mr. Cullen: If the Department of Finance tells us to collect the tax we shall collect the tax.

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OLYMPIC GAMES**POSSIBILITY OF FEDERAL GOVERNMENT ASSUMING RESPONSIBILITY FOR DEFICIT OR ALTERNATIVELY ASSUMING RESPONSIBILITY FOR OTHER PROJECTS IN QUEBEC**

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, my question is addressed to the Prime Minister. Bearing in mind the right hon. gentleman's statements that the government does not intend to pick up any part of the Olym-

[Mr. Allmand.]

pic deficit, could the House be told whether the government has been approached formally or informally, directly or indirectly, by the Government of Quebec, the City of Montreal or by COJO itself with a view to the federal government taking up part of the deficit, and, if so, who made the approach?

Right Hon. P. E. Trudeau (Prime Minister): The answer to all those questions is no.

Mr. Stevens: Would the Prime Minister indicate whether any consideration has been given to financing, within the City of Montreal or within the Province of Quebec, certain developments which, if not financed by the federal government, would ordinarily be financed by the province, on the understanding that if the Province of Quebec takes up the deficit incurred by the Olympics the federal government would share in the financing of those other projects?

Mr. Trudeau: I do not know what the hon. member has in mind, if he has anything in mind, which I doubt. I wish he would be more explicit.

Some hon. Members: Oh, oh!

Mr. Trudeau: When I used the words earlier, "directly or indirectly" I took it they would cover that question.

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AIR CANADA**LACK OF SUPPORT FOR FIVE EMPLOYEES CHARGED WITH CRIMINAL OFFENCE—BONDING OF EMPLOYEES**

Mr. Dan McKenzie (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of Transport. Does the minister intend to look into the situation with regard to the five Air Canada employees in New York City who state that the management of the company has not given them any moral or financial support in their successful efforts to acquit themselves of serious criminal charges of gold theft laid, apparently, in an improper way while the employees were at work?

Hon. Otto E. Lang (Minister of Transport): I have a report on that situation and I am informed that while the corporation feels it improper to accept responsibility for legal fees—as is the case with almost any other employer—the employees in question were reinstated and with no loss of pay.

Mr. McKenzie: Could the minister investigate to see whether these employees are properly bonded?

Mr. Lang: I will look into that.

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EXTERNAL AFFAIRS**DETENTION OF MRS. PSARSKI IN POLAND—REQUEST FOR REPORT ON EFFORTS TO OBTAIN RELEASE**

Mr. Tom Cossitt (Leeds): Mr. Speaker, I have a question for the Secretary of State for External Affairs regarding