

Oral Questions

the exclusive right, for example, to invest millions abroad precisely at the time we need such investment to create jobs here in Canada.

Will the government in the next few weeks bring in legislation similar to what has been done in most other industrial countries, which will give the Government of Canada authority to enter into long-range planning agreements with such corporations to ensure that when decisions like that are made by Inco to invest abroad, the public, through the Government of Canada, will have a crucial say in such decisions?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the leader of the New Democratic Party is making light of a report by the Royal commission with which he does not happen to agree. The position of the government is that this Royal commission researched into a very difficult and complex subject. They came up with many recommendations, some of which are liable to be accepted by the government and some of which are not liable to be accepted by the government.

However, we will not, as the leader of the New Democratic Party does, let our prejudices speak for an intelligent judgment on it. We will study it and the Department of Consumer and Corporate Affairs will make a report to cabinet on it.

Mr. Broadbent: I wish the Prime Minister would at least pay members of the House the courtesy of listening to the questions. I simply said the Royal commission did not deal with that issue. I pointed out that Canadians are losing thousands of jobs because multinationals in this country, unlike most other countries, have the unilateral right to transfer funds out of the country. Will the government of this country, like most other countries in Western Europe, and Japan, bring in legislation which will give it some authority to play a role in this decision-making process? I would like the Prime Minister to reconsider and answer that question.

I will ask a related question. Another area that was neglected by the Royal commission was the right of the banks, for example, to set their own investment priorities. In particular, considering the kind of decision that was made by the Royal Bank of Canada at the time, which was to give Power Corporation \$150 million to buy Argus—which would have created no new jobs and would only have resulted in the concentration of more power—will the government bring in legislation similar to that which exists in other countries in order to give the Government of Canada a role to play in major investment decisions affecting the economy?

● (1432)

Mr. Trudeau: Mr. Speaker, the second question was a variation of the first. The hon. member uses the fact that he does not agree with the Royal commission report as a pretext for making a certain number of representations to the government. I will note those representations.

Mr. Broadbent: Mr. Speaker, in 1975, as a result of questions I asked, the Prime Minister set up this silly Royal commission and we have seen where it has got us after three

[Mr. Broadbent.]

years. Bearing in mind that he has asked for co-operation from this side of the House in the coming months to deal with serious legislation, allegedly to find jobs for Canadians who need them, can he tell the House what plans he has to bring in legislation either in the short-term or the medium-term which will effectively come to grips with the shortcomings of the Canadian economy?

Mr. Trudeau: Yes, Mr. Speaker. We shall be announcing such legislation very soon.

Mr. Broadbent: After ten years!

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[Translation]

FINANCE

METHOD OF COMPENSATING QUEBEC FOR LOSS OF SALES TAX REVENUE

Mr. Gilles Caouette (Témiscamingue): Mr. Speaker, my question is directed to the Minister of Finance. Since we have been informed today that the generous handouts of the federal government in the sales tax field were made at the expense of the provinces and that they have been forced to increase their taxes by \$100, we can appreciate the attitude of the government and its sincerity in helping people. Considering that the Quebec minister of finance has decided to help productive sectors with this tax reduction, that is furniture, textiles and footwear, and that the province of Quebec had every right to use these funds as it saw fit, what does the minister propose to do to respect those decisions and to give to everybody equal opportunities of obtaining his fair share of the refund made by the federal government and not only to those who file a federal income return?

Hon. Jean Chrétien (Minister of Finance): Mr. Speaker, we have made the same proposal to Quebec as to other provinces. The federal transfer of funds has been made through a federal income tax reduction and provinces other than Quebec have increased their income taxes accordingly. As for the benefit they have obtained, they applied it to all items covered by the sales tax. It was up to the Quebec government, if it wanted all taxpayers to take advantage of it, to reduce the sales tax on other items.

Mr. Caouette (Témiscamingue): I wish to direct a supplementary question.

In view of the fact that the application of the sales tax is not limited only to taxpayers but to the public as a whole, and that the minister was wrong a while ago when he said that Quebec was the only province out of step, is the minister aware that the four western provinces have supported Quebec's claims?

Mr. Chrétien: Mr. Speaker, I am afraid this is not the right interpretation to give to the statement of the western prov-