

Oral Questions

hon. member does not accept it in that spirit rather than trying to score some temporary debating points in a situation that is bound to require accommodation on both sides from time to time.

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NATIONAL RESOURCES**INDIRECT TAXATION OF HYDROELECTRICITY SALES—
GOVERNMENT POSITION**

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Justice. On Friday the Minister of National Revenue flew to Newfoundland especially to hold a press conference on constitutional matters with the new leader of the Newfoundland Liberal party. He said the proposed amendment to the constitutional resolution will provide to the provinces the right to levy indirect taxation on hydro resources. He said that this will enable Newfoundland to recover the money it is losing to Quebec from the Upper Churchill. He pointed out that the amendment was proposed some weeks ago by the national New Democratic Party and that the federal government has publicly announced its intention to accept the amendment.

My question for the Minister of Justice is: did the Minister of National Revenue properly inform the people of Newfoundland? Is it the official policy of the Government of Canada to permit indirect taxation of hydro resources so that Newfoundland can tax the Upper Churchill contract, thereby gaining something in the order of \$600 million a year from Quebec consumers of hydroelectricity purchased from Newfoundland and Labrador? Is that the position of the Canadian government?

● (1430)

Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development): Madam Speaker, we said during the summer that, if this policy were accepted by the provinces and inscribed in the constitution, natural resources could be taxed indirectly by provincial governments. This right does not exist for the provinces at this time, but may come into existence if we proceed with the constitutional amendments.

In terms of the usage of that power by the provinces, it will be up to them to decide how it will be used. The financial consequences of this devolution of power by the federal government to the provinces will also be in the hands of the provinces. I have no further comment to make.

Mr. Crosbie: Madam Speaker, the minister may have no further comment to make, but we have further questions because he and his colleague are attempting to fool the people of Newfoundland. The leader of the Liberal party of Newfoundland, who was present with the Minister of National Revenue, said that the proposal would amount to \$600 million a year for Newfoundland and went on to say:

That's the exciting part of it. If we get this amendment, we can announce to Quebec, "It was a good deal but it's a good deal no longer. How do you want to renegotiate?"

Does the Government of Canada intend to give to the government of Newfoundland the power to force Quebec to renegotiate the Upper Churchill contract with Hydro-Quebec, which would mean an increased cost to hydroelectric consumers in Quebec of \$600 million a year now and untold billions in the future? Is that the position of the Government of Canada as stated by the Minister of National Revenue and the leader of the Liberal party of Newfoundland in a deceptive manner last Friday in St. John's?

Mr. Chrétien: Madam Speaker, I just stated very clearly the position of the government, that we are willing to give the provinces the power to tax indirectly their resources.

Mr. Crosbie: You're weaseling.

Mr. Chrétien: Of course, once the federal government gives this power to the provinces, it is theirs to use. What the situation will be in a particular province is hypothetical.

Mr. Crosbie: Not as far as your colleague is concerned.

Mr. Chrétien: I am not a member of the administration of any provincial government. I am glad to see that there are people who recognize that this amendment, which I offered to the provinces this summer and for which the NDP is asking at this moment, will be good for the provinces. However, I am waiting to see what the Tory party will do when this amendment is put forward in committee.

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IMMIGRATION**ARTISTIC DIRECTOR OF STRATFORD FESTIVAL—ISSUANCE OF
WORK PERMIT**

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Minister of Employment and Immigration. It concerns the problems at Stratford. Since a threatened actors' boycott of the Stratford festival next summer is probable unless a qualified Canadian artistic director is named, and since the hiring of a foreigner, in addition to being a slap in the face to creative Canadians, could mean the loss of as many as 1,000 jobs in that region, can the minister assure the House that he will turn down any work permit application for a foreign director attempting to enter Canada to assume this position, since there are a number of qualified Canadians available to fill this job with distinction?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in a case like this it is a requirement that in determining a fair decision and making a fair choice we attempt to deal with the case on its merits. In this case officials of my office met with the board of directors of Stratford last week to determine what steps the board had taken to secure the services of a Canadian for the position of