

their power could give them and preserves the position of those who are less privileged is very much in the interests of the less privileged. This program is intended to assist those who have not been in a position to seek 20 per cent, 30 per cent and 50 per cent settlements or 20 per cent, 30 per cent and 50 per cent rent increases, and in that sense it is very much in their interests.

ANTI-INFLATION PROGRAM—REASON FOR FAILURE TO
INTRODUCE REDISTRIBUTIVE TAX MEASURES

Mr. Edward Broadbent (Oshawa-Whitby): If the minister really wanted to provide benefits for the group for which he is now expressing concern, why could the government not have simultaneously introduced a redistributive tax measure which would have brought specific tax benefits to the very people he is now talking about at the cost—and I acknowledge this—of increasing the tax burden on upper income individuals and corporations?

Hon. Donald S. Macdonald (Minister of Finance): As the hon. member knows, that kind of tax burden hits not only those in the upper income brackets but those in the middle income brackets as well. I would remind him that in the past year by amendments to the family allowances program, by amendments to the income tax system itself, and by changes in the provision of old age security and the guaranteed income supplement, we have specifically directed extra payment to those groups in the community which are the government's special concern.

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● (1420)

[Translation]

THE CANADIAN ECONOMY

EFFECT OF ANTI-INFLATION PROGRAM ON NEGOTIATIONS OF
PAPER-MAKERS IN DOLBEAU

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, I have a question for the Minister of Finance.

Since the paper workers' union in Dolbeau, in my riding, have been negotiating since early in 1975 and had to go on strike, could the minister tell the House whether the legislation the government presented will bear upon their union demands and to what extent?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, without knowing the exact nature of the negotiations, I can say that the guidelines in the legislation will apply to all economic sectors in Canada; that it is quite possible that the union referred to will see its expectations reduced in that sense. In any event, when there will be a contract, it will have to be submitted to the Anti-Inflation Board.

Mr. Gauthier (Roberval): Mr. Speaker, I have a supplementary question for the Minister of Finance.

In connection with a new labour contract within the new anti-inflation legislation, if there is an agreement on the maximum 8 per cent increase, will this affect the

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previously accepted high cost of living escalation provision?

Mr. Macdonald (Rosedale): Mr. Speaker, the guidelines of the new legislation do not affect contracts signed before October 14, 1975.

Mr. Gauthier (Roberval): Mr. Speaker, I have a last supplementary question for the Minister of Finance.

Could the minister advise the House whether fringe benefits will be included or excluded within the 8 per cent increase?

Mr. Macdonald (Rosedale): Mr. Speaker, such benefits are included within the guidelines.

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[English]

FOREIGN INVESTMENT

EFFECT OF REFUSAL OF BID BY WHITE CONSOLIDATED TO
TAKE OVER WESTINGHOUSE—GOVERNMENT ACTION TO
PROTECT JOBS

Mr. Bill Kempling (Halton-Wentworth): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. A few months ago the Foreign Investment Review Board disallowed a takeover bid by White Consolidated Industries of Cleveland, Ohio of Westinghouse Canada appliance division. Inasmuch as the Canadian takeover bid of General Steel Wares does not appear likely to succeed, and in light of press reports that the jobs of 2,300 Westinghouse Canada employees are in jeopardy, what action does the government plan to take prior to October 31, which is the expiry date of the General Steel Wares bid?

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I have been apprised of this situation and have been meeting both with my officials and other departments in connection with this matter. Obviously, we are much concerned for the jobs of the more than 2,000 workers involved. We are also disturbed that this may very well represent a defiance of the intent, at least, of the foreign investment review regulations. We are continuing to meet on the subject. I hope to meet with the principals concerned over the next few days to determine what is the best course of action open to the government in the circumstances the hon. member has outlined.

Mr. Kempling: Mr. Speaker, I thank the minister for that answer and appreciate the fact that he is looking into it, but I should like to ask him this question. Inasmuch as White Consolidated Industries has purchased the rights to the Westinghouse name and is now a supplier of captive parts to Westinghouse Canada, and knowing that White Consolidated is unlikely to convey the name "Westinghouse" to a competitor nor supply the competitor with captive parts, did the Foreign Investment Review Board not foresee this eventuality bearing in mind the substantial difference between the bids by General Steel Wares and White Consolidated?

Mr. Jamieson: Mr. Speaker, I hope the hon. member will appreciate that that is a very complicated question to