

Oral Questions

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid the hon. member is ill informed. In fact, not only have we been doing for a year what he is suggesting we should do, but we started doing it under the mandate of the previous Minister of Communications. We have therefore proposed flexible administrative arrangements with all provinces. Some have agreed to discuss this matter with us and have signed agreements. In this case, of course, these are bilateral agreements, but these arrangements, as I have just explained to the leader of the opposition, result from a proposition which was made to the provinces as a whole.

POSSIBILITY OF MEETING WITH QUEBEC MINISTER

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, since the Minister of Communications made known outside the House her intention to call a federal-provincial conference on communications, can the Prime Minister tell the House whether the federal Minister of Communications will soon meet the Quebec Minister of Communications, Mr. O'Neil, before a federal-provincial conference on communications is held?

Right Hon. P. E. Trudeau (Prime Minister): I do not know, Mr. Speaker, if a minister of communications, either Mr. O'Neil or someone else, wants to talk with the minister, there is always the phone, the mail and the choo-choos, I reminded the Leader of the Opposition a moment ago that Mr. O'Neil was the one who refused to attend the conference on communications we had called last year in Edmonton.

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[English]

FINANCE

EXPANSION OF NORTHERN TELECOM IN UNITED STATES IN SPITE OF TAX CONCESSIONS TO CREATE JOBS—GOVERNMENT ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Thank you, Mr. Speaker. I have a question for the Minister of Finance. The minister is aware that Northern Telecom is currently reducing its Canadian labour force by some 1,000 and he is also aware that through the budget measures the House is currently debating the same corporation will get about \$2 million in special tax concessions, ostensibly to create jobs in Canada. Is the hon. gentleman aware of a report in today's press which indicates that Northern Telecom is planning to spend \$15 million on new expansion, not here in Canada but in the United States, moving for the first time to computer systems in that country? If the minister is aware of this situation, what course of action does he propose to take?

Hon. Jean Chrétien (Minister of Finance): I am not aware of the article to which the hon. member has referred. I will look into it. But I would point out that under Bill C-11 companies are entitled to a tax break only if they invest in Canada. If they invest in the United States they will not benefit from the provisions of the bill.

[Mr. Grafftey.]

Mr. Broadbent: The minister should take a more careful look at his legislation. There is a whole series of tax benefits to which corporations are entitled and these are not dependent upon the proviso the hon. gentleman has made. Will he look into this situation? There is no doubt about the accuracy of the report to which I have referred; the corporation is expanding into the United States and investing some \$15 million there. They are getting some \$2 million in special tax measures which are presently being debated in this House. If the corporation is doing this, will the hon. gentleman ensure that it does not get the money from the Canadian taxpayer?

Mr. Chrétien: These are two different matters. One involves a reduction of taxes in relation to new investment. If they have no new investment in Canada, they will not get any tax break. The other is the three per cent allowance for inventory purposes, and of course this applies to any corporation with inventories in hand. This is one provision of the tax bill designed to try to help industry keep some inventory in hand and, in doing so, keep some labour working.

● (1422)

Mr. Broadbent: A final supplementary question, Mr. Speaker. Is the minister trying to convince the House that the \$2 million which they are going to get, whether for inventory purposes or for related purposes, will create the same number of jobs as if the money were spent directly in the economy?

[Translation]

Mr. Chrétien: Mr. Speaker, I am not sure I fully understand the argument of the hon. member. The 3 per cent production for inventory applies to all companies with inventories. One of the reasons why we have proposed this legislation is that we believe it is important to help industries carry their inventories because when they have inventories they can have longer production lines. This has nothing to do with investments. These companies will benefit from tax incentives if they invest in Canada; otherwise they will get no incentives.

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HOUSING

INQUIRY WHETHER QUEBEC CAN BENEFIT FROM HOME INSULATION PROGRAM

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs.

Last weekend the wild northerly winds reminded us that insulation is always useful. On October 31 there was a meeting in Quebec City between the officials of the Central Mortgage and Housing Corporation, the minister himself and several hon. members and on that occasion the main subject of the discussions was housing and insulation. At that time, the minister informed us that there was a possibility, in the near future perhaps, that Quebec might endorse the Canadian Home Insulation Program and that the residents could take advantage of this federal legislation. Is the minister in a position to tell us today whether there were any developments