

ORAL QUESTION PERIOD

[English]

TRANSPORT

CONSIDERATION BY CABINET OF PROPOSALS FOR NEW NATIONAL POLICY—CONSTRUCTION AND RENOVATION OF BOXCARS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Prime Minister. Last Thursday the Minister of Transport told the House that Canada does not have a real transport policy for the future and at the same time indicated he will seek the authority of cabinet to elaborate a new policy. Can the Prime Minister now tell the House if the Minister of Transport has in fact made proposals to cabinet for a new transportation policy? If so, is the cabinet presently discussing this matter and what are their feelings in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, we are discussing elements of a new transport policy. The minister is in British Columbia today discussing with the four western transport ministers various elements of that policy.

Mr. MacKay: I thank the right hon. gentleman for his answer. Having regard to the fact the Minister of Transport stated on the same day that the federal government will try to build more railway cars to carry lumber, coal and western wheat, and as it now appears that the CPR and the CNR have refused a request by the federal government to construct and renovate some 4,000 boxcars, will the Prime Minister consider changing the transport policy and ordering the railways to comply with the directive of the federal government?

Mr. Trudeau: I do not know on what rumour the hon. gentleman is basing his question. The least I can say about it is that he is badly informed.

Mr. MacKay: I am basing my question in part on a report in today's issue of *Le Devoir*. I should like to ask the Prime Minister whether he agrees with the statement made by the minister that Canada has everything to have fun with in rail transportation but has no policy in this regard? Does he agree with that statement?

Mr. Trudeau: Mr. Speaker, I think this is a proper description of the opposition's situation.

ACTION TO PROVIDE FREIGHT CARS IN LIGHT OF POSITION OF RAILWAYS

Hon. Robert L. Stanfield (Leader of the Opposition): In view of the statement made by the Minister of Transport in the House last week that the railways do not want to buy cars to carry wheat and "even if they were paid I doubt that they would do it", can the Prime Minister indicate to the House what action, if any, the government proposes to take with a view to seeing that railway cars are provided?

Right Hon. P. E. Trudeau (Prime Minister): The Leader of the Opposition will have gathered from my earlier answer to his colleague that the rumour was untrue

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and therefore, if things are being done, they will be announced in the proper manner.

Mr. Stanfield: Is it the view of the Prime Minister that a statement made in this House is simply a rumour—a statement by the Minister of Transport?

Mr. Trudeau: I was not referring to the statement by the minister. I was referring to the incident of the boxcars to which the Leader of the Opposition is obviously referring.

Mr. Stanfield: My question related to the supplying of cars and to the statement by the minister in the House that the railways would not provide them and would not do so even if they were paid. In view of that statement by his own minister, I ask the right hon. gentleman whether any action is being taken by the government and, if so, what?

Mr. Trudeau: Yes, Mr. Speaker, there is action being taken by the government. In answering the first question I said that the nature of this action will be announced. Elements of it are being discussed today with the four western transport ministers. I think that if they were not being discussed the opposition would accuse us of proceeding by confrontation and not by way of discussion.

Mr. Speaker: Order, please. There appears to be great interest in this matter and a number of members are seeking supplementaries. Perhaps we might try to complete the first round of questioning, after which I will see the hon. members for Vegreville, Saskatoon-Biggar, Humber-St. George's-St. Barbe and others.

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INCOME TAX

MANUFACTURING AND PROCESSING INDUSTRIES—INTENTION OF GOVERNMENT RESPECTING CONTINUATION OF REDUCTION IN RATE AND RAPID WRITE-OFF PROVISION

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Finance based on the very striking increases in profits of corporations in this country, including those in the manufacturing and processing industries. Is it his intention to continue the income tax cut in favour of manufacturing and processing industries and, further, does he intend to continue the rapid write-off provision which he gave them last year?

Hon. John N. Turner (Minister of Finance): I shall be submitting an interim report by March 31, as I undertook to do, upon the preliminary effects, as seen at this stage, of the manufacturing and processing corporate tax cuts but will leave it to parliament to evaluate them. But I restate my intention, that I interpret the corporate tax cuts in the manufacturing and processing fields as medium and long-term structural changes meant to encourage increased capacity, meant to encourage, by way of that increased industrial capacity, more jobs. I am glad to say to the House, as I said the other day, that last year there were 110,000 new jobs in manufacturing, 8,000 more than in the six previous years put together.