

Oral Questions

should not be entered into even though it might provide a number of jobs for Canadians?

Mr. Trudeau: Of course, Mr. Speaker, I cannot agree with the premise of the question which is, if I understood it well, that there are no safeguards that can be provided. That is not the government's view. In the past we have applied safeguards, and the government is presently increasing the strength of those safeguards. To take the attitude of the hon. member would mean that Canada would sit on this very advanced technology and not be willing to share even its benefits with some of the countries of the world that do not have our advantages.

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FINANCE**DATE ON WHICH MINISTER WAS CONSIDERING BUDGETARY PROPOSALS CONCERNING DEDUCTIBILITY OF ROYALTIES**

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask whether the Minister of Finance will say categorically that on March 27 of this year he was considering changes to the Income Tax Act which would disallow the deductibility of provincial royalties?

Hon. John N. Turner (Minister of Finance): No, Mr. Speaker. As the Prime Minister said in his speech yesterday, we made it clear to the provinces in advance of the conference that we were disturbed about unilateral action in the way of royalties and other techniques on the part of the provinces which would erode the federal tax base. At that time we were exploring a number of avenues, but we had not arrived at a decision as to the best method to follow.

Mr. Baldwin: Mr. Speaker, had the minister made known to the Prime Minister that he was contemplating income tax amendments of that nature so that the Prime Minister would have known of that on March 27?

● (1510)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the Prime Minister said quite categorically we were exploring a number of avenues in order to preserve the federal base, but I had made no final decision at that time. I advised the Prime Minister, and he communicated to the provinces, that we should put them on guard against unilateral use of the royalty technique to erode the federal base. That was communicated, as the Prime Minister said yesterday, both in writing and verbally to the two premiers concerned.

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[Translation]

INDUSTRY**GOVERNMENT ACTION FOLLOWING REPORT OF TEXTILE AND CLOTHING BOARD**

Mr. Yvon Pinard (Drummond): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

[Mr. Rodriguez.]

On November 18, I asked him what he would do to assist the textile industry. Since the situation is still very critical owing to massive imports and numerous layoffs, I would like to know, following the presentation made this afternoon of the Textile and Clothing Board's report, what immediate action he intends to take to deal with that urgent situation?

[English]

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): Mr. Speaker, I tabled the three reports to which the hon. member referred today. The government is accepting the recommendations of those reports. These provide for restraint measures in respect of those products covered by those reports except for nylon fabrics. In respect of nylon fabrics we have already, two days ago, entered into negotiations with the Republic of Korea aimed at reaching a restraint agreement. We have under international rules an expectation that we should be able to get it within 60 days.

If, however, during that 60-day period it appears that we are not making progress then we can under international rules obtain an emergency provision which would give us a restraint agreement in seven days. The other point I should like to make is that since those reports were written and submitted by the Textile and Clothing Board there has been a deterioration in the textile industry in Canada occasioned by international competitive practices, and in view of that I instructed the Textile Board to make a review of the situation and report to me at an early date.

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NATIONAL DEFENCE**DATE OF DECISION ON FINANCING DEFENCE PROGRAM**

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, my question is for the Minister of National Defence. It is understood that the minister submitted his alternative courses of action for his department to cabinet on November 21. Can he inform the House when he expects a decision from that august body. I do not want the answer to a day but within a week or so.

Hon. James Richardson (Minister of National Defence): Mr. Speaker, the financing of the defence program has been under consideration by cabinet for several weeks and at a number of meetings. The estimates will be required to be known within the next two weeks.

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ROYAL CANADIAN MOUNTED POLICE**POLICY OF FORCE REGARDING HEROIN USED DURING INVESTIGATIONS**

Mr. John Reynolds (Burnaby-Richmond-Delta): Mr. Speaker, I have a question for the Solicitor General regarding a statement made by Mr. Mullins of the Justice Department last Friday in Vancouver. Mr. Mullins was quoted as saying that the RCMP lost 20 pounds of heroin while under their surveillance. I wonder if the Solicitor