

*Oral Questions*

answers, our questions might be more straightforward. I will ask the Acting Prime Minister a more intelligent question.

Considering that Falconbridge Nickel Mines Limited owes to the Department of National Revenue \$40 million in deferred taxes and that the Minister of National Revenue is not here to answer, is the Acting Prime Minister prepared to take a position and compel companies such as Falconbridge Nickel Mines Limited which owe millions of dollars to the Canadian government to reimburse that money and would he take it to create new jobs?

● (1432)

[English]

**Hon. Allan J. MacEachen (Deputy Prime Minister):** Mr. Speaker, I will draw the hon. member's representations to the attention of the Minister of National Revenue.

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## FINANCE

## PROPOSED REDUCTION OF SALES TAX

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, my question is for the Minister of Finance. With today's high unemployment levels and high inflation levels giving us the highest misery index ever in this country, will the minister reconsider his decision not to reduce the sales tax in this country from the present 12 per cent which is 50 per cent higher than even during World War II? Such a reduction would not only help consumer demand but would also help employment.

[Translation]

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, the last time we met the provincial governments, a possible reduction of provincial sales tax and assistance to province to achieve that purpose was discussed but except for one, all of them rejected that alternative. As to the federal sales tax, we thought that a reduction of tax for low and middle income people would spur demand more actively, particularly in the months of January and February.

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[English]

## THE CANADIAN ECONOMY

## DATE OF INTRODUCTION OF EMPLOYMENT CREDIT BILL

**Mr. Sinclair Stevens (York-Simcoe):** A supplementary question, Mr. Speaker. The minister forgot to remind us that the sales tax is the most regressive tax he has on his books. When may we see the employment credit bill that the Prime Minister has undertaken to have tabled in this House before the end of December? When exactly will we get it? How does the minister plan to ensure that the employment credits will have the effect of relieving some of the unemployment we are heading for later next year?

[Mr. Caouette (Témiscamingue).]

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, I can promise this House that I will be able to produce this when I can work with my officials on a daily basis. If the bill before the House is passed at the beginning of next week I hope to be able to make—

**An hon. Member:** What nonsense.

**Some hon. Members:** Oh, oh!

**Mr. Chrétien:** I am very pleased with the reaction of the opposition, Mr. Speaker. I can see their sense of guilt showing up. I hope I will be able to make an announcement in the House before the Christmas adjournment, but if I am tied to my seat in the House unfortunately I cannot be two ministers of finance at the same time.

## USE OF TAX CONTRACTS TO INDUCE INDUSTRY TO LOCATE IN AREAS OF HIGH UNEMPLOYMENT

**Mr. Sinclair Stevens (York-Simcoe):** A supplementary question, Mr. Speaker. The minister might be reminded of the statement "if you cannot stand the heat get out of the kitchen." Bearing in mind the 30 per cent unemployment levels in some areas of the country, would the minister give consideration to entering into tax contracts with those in the private sector who might be willing to go into some of those areas and create jobs if they could get confirmation from the government of what their long-term tax position would be?

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, the best thing would be to pass the bill now before the House. I think the business community is pretty discouraged at this time to see that we are in the fifth week of debate on the budget bill and are on Clause 5. If we proceed at this rate the bill will not be passed for two years.

**Some hon. Members:** Oh, oh!

**Some hon. Members:** Hear, hear!

**Mr. Speaker:** Order, please. The hon. member for Egmont.

**Mr. Chrétien:** I think if there was a little bit more intelligence—

**An hon. Member:** Oh sit down.

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## REGIONAL ECONOMIC EXPANSION

## POSSIBLE ELIMINATION OF DEPARTMENT—PLANS TO ALLEVIATE UNEMPLOYMENT IN EASTERN PROVINCES

**Mr. David MacDonald (Egmont):** Mr. Speaker, it is obvious that the Minister of Finance is upset because he is speaking out of both sides of his mouth. The other day in the *Financial Times* he indicated very clearly that the tax measures became effective the night of the budget.