

Oral Questions

apply the same mechanism that is being used in section 30 of Bill C-56 with regard to one province, to every other province?

Mr. Chrétien: Mr. Speaker, the principle of this article is that I am reducing the income tax and giving the opportunity for all provinces to raise their income taxes. We have agreed that in the case of Quebec having conformed with my scheme for \$40 million it was not necessary to have a special collection agreement for these \$40 million. We have accepted to pay directly for the part they have complied with the scheme and that was accepted by the other provinces.

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INDUSTRY**BELL CANADA CONTRACT WITH SAUDI ARABIA**

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I put my question to the Minister of Industry, Trade and Commerce. The minister's predecessor, the Minister of Finance, visited Israel when he held that post. At that time he expressed interest in having a Canadian company facilitate the Israelis in modernizing their telephone system.

As the minister is aware, Bell Canada is the only company in Canada that, to my knowledge, is capable of doing this kind of work. It has signed a contract with Saudi Arabia which stipulates it will not do business with Israel. Given the circumstances, can the minister tell the House what will happen to the hundreds of potential jobs that would have been created in Canada by Bell had it participated in and obtained the contract for the work in Israel?

● (1422)

Hon. Jack H. Horner (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the onus implicit in the question really rests with the State of Israel. Whether or not they want Canadian firms to bid on the installation of a new telephone system in that country has not come up to my knowledge.

Mr. Broadbent: Mr. Speaker, the minister is being naive or is demonstrating lack of information—one or the other. Is he not aware that a Bell Canada senior official has acknowledged they have not submitted a bid? I do not have the precise wording, but after they entered the contract with Saudi Arabia, Bell Canada indicated they were unlikely to submit a bid for the Israeli project.

If that is the case, will the minister not recognize the reality, which is that in effect there is a boycott under way because Saudi Arabia has effectively stopped Bell Canada from obtaining a work project of some significance in the State of Israel which could have provided jobs for Canadians?

Mr. Horner: Mr. Speaker, Bell Canada, in signing a contract with Saudi Arabia, met the requirements of the government. No discriminatory clauses were accepted in signing that contract. Whether or not Bell Canada bids on a similar

[Miss MacDonald.]

contract in the State of Israel depends upon the State of Israel and Bell Canada. We cannot force them to enter into a contract with another country.

Mr. Broadbent: Mr. Speaker, is the minister not aware that the kind of contract Bell Canada signed with Saudi Arabia would not be permitted in the United States? For example, there is a clause in the contract which states that Bell Canada is not doing business with Israel. That clause is in there for one purpose, and one purpose only that the minister should recognize, which is discrimination. If he does recognize that, why would the Government of Canada not take more definitive and concrete action to remove this discrimination which is costly both in terms of civil liberties and in terms of Canadian jobs?

An hon. Member: What about the Human Rights Commission?

Mr. Horner: Mr. Speaker, with regard to United States boycott policies, in my opinion their policies have many loopholes. All one has to do is set up a head office of one of the multinationals inside Saudi Arabia and then they can go ahead and sign any contract they want. So our policy is working far more effectively than theirs.

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[Translation]

HOUSING**NEGOTIATIONS WITH QUEBEC ON RRAP**

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

According to my information, an agreement on RRAP was entered into last March by the federal and the Quebec governments. Can the minister tell the House whether, following this agreement, his departmental officials or CMHC officials have issued regulations to allow municipalities to submit their application directly to the federal government, as this alleged agreement allowed the federal government to negotiate directly with the provinces? Has this agreement been finalized? Are the municipalities aware of it and what criteria are applied?

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, I confirm that an agreement has been entered into by the two levels of government with a view to extending the housing renovation program. However, the process does not necessarily involve officials of the various levels of government, federal, provincial and municipal. It is a program financed solely by the Canadian government and especially designed for rural areas. So those who wish to avail themselves of this program must apply directly to local CMHC offices in the province of Quebec.

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to put a supplementary question. In light of the rules drafted by his officials, could the minister tell the House whether a quota