

## NATIONAL SECURITY

### MEMBER OF CRTC IN COMPANY OF KGB AGENT—SENSITIVITY OF POSITION IN CRTC

**Mr. John Gamble (York North):** Mr. Speaker, my question is for the Secretary of State and Minister of Communications. Is the Secretary of State and Minister of Communications aware that a certain Jean-Louis Gagnon, as a member of the CRTC, was observed while in Paris by the French security forces in the company of a known KGB agent who was apprehended transmitting missile secrets to the U.S.S.R.?

Is he further aware that the said Jean-Louis Gagnon was a card-carrying member of the communist party and, if aware of these circumstances, does he consider it appropriate that this gentleman, occupying this sensitive position moulding communications policy, should retain his present position?

● (1440)

**Hon. David MacDonald (Secretary of State and Minister of Communications):** Mr. Speaker, I should point out that it is not as Secretary of State, but as Minister of Communications that I will be responsible for questions related to Mr. Gagnon. Accusations similar to what the hon. member has said have been made before. As I understand it, there is nothing in Mr. Gagnon's career that would make him ineligible to serve on the CRTC. Indeed, he has given outstanding service on that body.

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## FINANCE

### PROPOSED SPECIAL TAX ON OIL COMPANY PROFITS—CONSULTATIONS WITH INDUSTRY

**Hon. Herb Gray (Windsor West):** Mr. Speaker, I have a question for the Minister of Finance. On November 12, the Prime Minister said that officials of the government would be consulting with the oil industry with regard to the special tax on oil company profits that had been proposed. Can the minister tell us today the exact nature of the consultations that have taken place so far, the names of the companies he or his officials have spoken to, and what he has told these companies?

**Hon. John C. Crosbie (Minister of Finance):** Mr. Speaker, I can confirm that during the period of the last several months there have been discussions among officials of the Department of Energy, Mines and Resources and, I believe, my department, as well with various industry associations and companies in the oil and gas business which have been in to see the government.

There is a free flow of communications both ways between the government and the industry. Discussions have been held with respect to whether the industry has sufficient, or will have sufficient cash flow to meet all its needs for investment in energy over the decade of the 1990s, and so on, and what their views are on taxation arrangements which might apply in the

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future. These discussions have been ongoing and will continue because we believe in trying to find out exactly what the facts are before taking action.

**Mr. Gray:** Mr. Speaker, the minister has been careful not to answer my question, which was with respect to the Prime Minister's words when he spoke about consultation with the industry with regard to designing "the most effective tax". Why will the minister not give the House the same information he has given the oil industry? The Prime Minister was reported as saying in an interview just a few days ago that the minister's budget would not contain the tax cut promised during the election. Why has the Minister of Finance not consulted in the same way with individuals and business as he is doing with the oil industry? Why does the minister not have the same consideration for individual Canadians as he has for the multinational oil companies?

**Mr. Crosbie:** Mr. Speaker, this is a rather strained question. I have been consulting with everybody I can think of in the Dominion of Canada with reference to the coming budget: ordinary people, people I meet on the street, people in my constituency, farmers, fishermen, workers, labourers, business executives and anyone else who will communicate with me. So far they are all willing to communicate with me. There is a constant process of consultation and dialogue.

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## NATIONAL DEFENCE

### RENT INCREASES FOR SERVICEMEN—GOVERNMENT POSITION

**Mr. Lloyd Axworthy (Winnipeg-Fort Garry):** Mr. Speaker, I have a question for the first minister. Recent reports show that the poverty line of the armed services has now reached a level of 50 per cent due to the exorbitant increases in rent that servicemen are being charged.

Under the circumstances of having our armed forces personnel put into this position of impoverishment, can the first minister tell the House if it is the intention of his government to transfer the authority of the armed forces from the Minister of National Defence to the ministry of health and welfare so that servicemen might receive proper support for their present dire circumstances? Failing that, I would ask the first minister if he will ask the Minister of National Defence to order a moratorium on these rent increases until a more equitable formula can be worked out on this rent problem.

**Right Hon. Joe Clark (Prime Minister):** Mr. Speaker, let me deal with the flippant part of the question, which is what we have come to expect from the forty-seventh candidate.

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

**Mr. Clark:** I can assure the hon. member that I have no such intention. The Minister of National Defence can deal with whatever substance he can find in the question.