

*Oral Questions*

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

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I understand that this phrase was taken from a document prepared at a lower level of the bureaucracy, indicating various alternatives. There is no hesitation on my part in repeating what the Deputy Prime Minister said last night before the committee, that there is no intention on the part of the government to proceed in any other way than by looking for a negotiated settlement. The legislation speaks for itself. It has been reported out of the committee today, I understand, and indicates no intention to legislate.

NORTHERN PIPELINE—B.C. WITHDRAWING FROM  
COMMITMENTS ON NATIVE LAND CLAIMS

**Mr. F. Oberle (Prince George—Peace River):** Mr. Speaker, I have a supplementary question for the Prime Minister relating to the document quoted by my friend, the hon. member for Lambton-Kent. The document also states that it is the intention of the province of B.C. not to accept any responsibility and, indeed, to withdraw from any previous commitments it might have made to the government of Canada in respect of the province's obligation on the question of Indian land claims. Can the Prime Minister inform the House whether that position can be confirmed and whether it would not be a serious hindrance to signing the pipeline treaty with the United States?

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, I have no further details on the status of the negotiations with British Columbia. I do know that the Deputy Prime Minister has spoken to the authorities of that province on several occasions. As to the exact status of negotiations on Indian claims jointly with the province of B.C., the question would have to be addressed to the minister responsible for Indian affairs.

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REGIONAL ECONOMIC EXPANSION

NEGOTIATIONS ON PURCHASE OF "MERCATOR I"—  
GOVERNMENT POSITION

**Mr. J. M. Forrestall (Dartmouth—Halifax East):** Mr. Speaker, I should like to direct my question to the Minister of Regional Economic Expansion. It arises out of the rumours circulating in the metropolitan area of Halifax that the federal government has entered into negotiations or is giving serious consideration to the purchase of *Mercator I* from its present owners, an overhaul and modification program for it and its eventual turning over to the Bedford Institute of Oceanography for oceanographic purposes.

Can the minister indicate to the House whether or not he is aware of these negotiations, and whether or not any conversations are being carried out between the government of Canada and the government of Nova Scotia or any other related interests with respect to this procedure?

[Mr. Holmes.]

**Hon. Marcel Lessard (Minister of Regional Economic Expansion):** Mr. Speaker, as has been alluded to by the hon. member, and as I am informed—although I will check this—it is only a rumour.

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THE CANADIAN ECONOMY

ALLEGED MISLEADING STATEMENT BY MINISTER ON \$3 BILLION  
TAX CUT

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, my question is for the Minister of Finance. Perhaps he could be given an opportunity to return from a visit to his Social Credit friends.

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

**Mr. Stevens:** My question is in reference to a serious misrepresentation which I think the minister has repeatedly made to the House. I refer, for example, to what the minister stated last Tuesday in reply to a question put by me, when he said:

I feel we should wait to see what effect the \$3 billion tax cut which came into force on January 1 has on the economy.

That is just not true. There was no \$3 billion tax cut effective January 1. I hope the minister will take this opportunity to explain why he so misled the House.

[Translation]

**Hon. Jean Chrétien (Minister of Finance):** Mr. Speaker, I have on several occasions in my speeches given a breakdown of those \$3 billion. I do not have the figures here with me but, if I remember correctly, \$850 million came from the automatic indexing. There were the \$700 million because of the \$100 given for the months of January and February, and there was other information of the same nature, which I do not have now but which I shall give the House, in addition to about \$900 million in incentives to the industrial sector.

[English]

**Mr. Stevens:** The minister has outlined \$1.6 billion of spending, which includes \$850 million of indexing which, may I point out with all due respect, is not a tax cut. Would he not agree that the further \$1.4 billion to which he referred were actually tax cuts which became effective one year earlier, starting January 1, 1977, and were certainly not felt for the first time on January 1 of this year?

[Translation]

**Mr. Chrétien:** Mr. Speaker, I have made those statements many times in the House. I have given explanations about it. The budgetary position of the government gave an impulse of \$3 billion to the economy as of January 1. I will be pleased to give from time to time an explanation to the hon. member who does not seem to understand.