

act as advisors to the Canadian delegation in these negotiations.

4. A proposal for the official Canadian delegation has not yet been submitted to government for approval.

#### DOUBLE TAXATION BETWEEN GOVERNMENT OF CANADA AND SOUTH AFRICA

Question No. 1,804—**Mr. Rodriguez:**

1. Is there an agreement relating to double taxation between the Governments of Canada and South Africa and (a) if so, does it extend to Namibia (b) if not (i) for what reason (ii) has the government been approached by Canadian corporations to have this agreement extended to Namibia?

2. Are Canadian corporations making payments to South Africa on their operations in Namibia either by way of income taxes, annual fees, royalties or licenses and, if so, do they receive credit from the government for such amounts paid?

3. Has the government advised the Government of South Africa of its support of the International Court of Justice advisory opinion that the Republic of South Africa is in illegal possession of the territory of Namibia and, if so, will the government recognize and allow, as a tax deduction, tax payments, fees, royalties or licenses made by a Canadian corporation operating in Namibia to the UN Council for Namibia?

4. Are Canadian diplomatic consular and commercial relations with Namibia not normal and, if not (a) has the government advised Canadian corporations that they are investing in Namibia at their own risk (b) how was this information conveyed to these corporations in Namibia?

5. Are there any official statements, bulletins or memoranda issued by the government to such corporations and, if so, will the government Table such material?

6. Has the government communicated to Canadian corporations doing business in Namibia, the United Nations Council for Namibia decree on the Natural Resources of Namibia, adopted at its 209th meeting on September 27, 1974?

7. Has the government any intention of asking to be seated on the UN Council for Namibia?

8. Has the government given any financial support to the UN Council for Namibia and, if not, is any such financial support contemplated?

**Hon. Mitchell Sharp (President of the Privy Council):** I am informed by the Departments of Finance and External Affairs as follows: 1. An agreement for the avoidance of double taxation and the prevention of fiscal evasion between Canada and South Africa was signed on September 28th, 1956 and entered into force in the following year. The agreement does not extend to Namibia—there is no provision in the agreement for its extension. Canadian corporations have approached the government to have the agreement extended to Namibia.

2. Canadian corporations making payments of income tax on their operations in Namibia would be entitled to a foreign tax credit under the provisions of section 126 of the Income Tax Act. That section provides relief for any income or profits tax paid to the government of a country other than Canada including the government of a state, province or other political subdivision of a foreign country. Taxes other than income taxes and fees, royalties and other payments to a government would not qualify for a foreign tax credit under section 126. Such expenditures would ordinarily qualify for deduction as an expense in calculating the income from carrying on a business by a corporation.

3. The government of South Africa has been advised of Canada's support of the advisory opinion of the Interna-

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tional Court of Justice. Under existing law, the foreign tax credit to which a corporation is entitled is restricted to any income or profits taxes paid to the government of a country or of a political subdivision thereof. The question of providing a credit against the Canadian corporate tax for income taxes paid to the United Nations or any other international organization has not yet arisen. Should such taxes be imposed, the government would be prepared to consider the necessary amendment to the Income Tax Act to permit a credit for such taxes.

4. Relations with Namibia are not normal. (a) Yes. (b) Some of the major Canada based corporations operating in Namibia have been informally advised of the government's policy. Although no formal written advice has been given to them, the government's policies have been clearly enunciated in various public statements by the Secretary of State for External Affairs and other Canadian representatives in Canada, in the United Nations and elsewhere.

5. There are no such documents.

6. No.

7. No.

8. The government has not yet given any financial support but is contemplating doing so.

#### POLLUTION LEVELS—CANADIAN COPPER REFINERS IN MONTREAL

Question No. 1,830—**Mr. Saltsman:**

Has the Minister of National Health and Welfare examined the environmental problem inside a subsidiary of the Noranda smelting operations, namely the Canadian Copper Refiners in Montreal, to determine whether the company is exceeding the permissible pollution levels of arsenic hydride (AsH<sub>3</sub>) or arsine and, if so, did they exceed the permissible in-plant concentrations of 0.050 ppm?

**Hon. Marc Lalonde (Minister of National Health and Welfare):** No. The legislative control of the workplace environment comes under provincial legislation.

#### CONSOLIDATED AVIATION AND SERVICES (PACIFIC) LTD. CONTRACTS

Question No. 1,858—**Mr. Reynolds:**

Does Consolidated Aviation and Services (Pacific) Limited have any maintenance or any other type of contract for services with the government and, if so (a) on what date were such contracts signed (b) on what date do they expire (c) what is the value of each?

**Hon. Mitchell Sharp (President of the Privy Council):** I am informed by the Departments of National Defence, Public Works, Supply and Services and Transport as follows: No.

#### AIR CANADA EXECUTIVES

Question No. 1,874—**Mr. Mazankowski:**

Are Air Canada executives required to divulge details of their land, business and investment holdings and, if not, in light of Mr. Yves Ménard's resignation, is Air Canada planning to require their executives to divulge their holdings?

**Hon. Jean Marchand (Minister of Transport):** The management of Air Canada advises as follows: Air Canada