

[English]

TRADE

UNITED STATES DISC PROGRAM—NUMBER OF AMERICAN COMPANIES MAKING USE THEREOF—POSSIBLE USE OF CUSTOMS REGULATIONS TO IDENTIFY COMPANIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Minister of Industry, Trade and Commerce whether the number of United States corporations which have applied for DISC status is now stabilized at around 2,000 or is the number still climbing? May I ask him also whether he has now decided to request the United States government for an official list of the DISC corporations which have been set up?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the last figure I recall was about 2,000. That was at the end of May, and it was going up by 300 to 400 a month. I do not have the latest report. I have said on a number of occasions that we do not intend to ask for a list from the United States because we have good reason to believe we would not get it. We are still working on a procedure by which we would be informed by way of customs declarations of the use of a direct subsidy on exports to Canada from the United States or any other country which uses direct export subsidies.

Mr. Douglas: May I ask the Minister of Industry, Trade and Commerce or the Minister of National Revenue whether the government has considered using the customs regulations as a means of identifying DISC corporations which may be exporting into Canada?

Hon. Herb Gray (Minister of National Revenue): Yes, Mr. Speaker. We are studying this quite actively.

[Later:]

UNITED STATES DISC PROGRAM—POSSIBLE CONTRAVENTION OF TAX TREATY

Mr. John Burton (Regina East): Mr. Speaker, I have a supplementary question to that posed by my hon. friend from Nanaimo-Cowichan-The Islands. I should like to ask the Minister of Industry, Trade and Commerce whether the government has looked into the possibility of the DISCs formed in the United States being in contravention of the tax treaty between Canada and the United States?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I made a few statements on that subject months ago to the effect that I thought this procedure was not in accordance with the GATT, either in letter or in spirit. I expressed the thought, also, that it did not accord very well with the spirit of the auto agreement.

Mr. Burton: My question was: Has the government determined whether DISCs are in contravention of the tax treaty between Canada and the United States?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the tax treaty between Canada and the United States is not concerned with matters of this kind; it is concerned with matters having to do with double taxation. However, as the Minister of Industry,

Inquiries of the Ministry

Trade and Commerce has said, we do contend that DISC is contrary to the trade agreements we have with many countries, including the United States, under the general agreement on tariffs and trade.

UNITED STATES DISC PROGRAM—POSSIBLE USE OF CUSTOMS REGULATIONS TO IDENTIFY COMPANIES

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Minister of National Revenue a question arising out of the answer he gave to my colleague. If I understood him correctly he said the government was considering getting information through customs declarations with respect to direct subsidies on exports by all countries. May I ask the minister what gives rise to such a need, considering we are dealing with the effects of DISC legislation by only one country and, second, when may we expect to see the regulations which either the Minister of Industry, Trade and Commerce or the Minister of National Revenue is preparing?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, we want to be sure in any program we put forward that we are able to get information with respect to any possible cases of this type arising from the action of all other countries with whom Canada trades. We are, as I have said, actively studying an appropriate method of doing what my colleague, the Minister of Industry, Trade and Commerce, has mentioned. As soon as we are ready to announce our conclusions we shall do so.

Mr. Lewis: How long will it take?

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NATIONAL DEFENCE

ALLEGED SUBSTANDARD ACCOMMODATION FOR CREW OF "NIPIGON" WHILE SHIP UNDER REFIT IN MONTREAL

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, notice of my question has been given to the Minister of National Defence. Has the minister looked into complaints concerning alleged substandard accommodation for members of the crew of the *Nipigon* now under refit in Montreal, and have corrective measures been taken?

Hon. E. J. Benson (Minister of National Defence): Mr. Speaker, I am advised that the crew of the *Nipigon* were accommodated in crowded conditions at Long Point Barracks. These crowded conditions have now been alleviated and the accommodation is adequate. However, it is not as good accommodation as they would have at Halifax.

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PUBLIC SERVICE

ALLEGED ADVERTISING BY COMMISSION FOR SEDIMENTOLOGISTS IN UNITED STATES TRADE MAGAZINES

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the President of the Treasury Board, Mr. Speaker. Is the Public Service Commission advertising