

an industry which will employ people, create new jobs here, give us know-how, train our people and bring them up to western standards, then we will grant you a tax holiday of up to five, or sometimes ten years." These are development objectives. This is the way they do it in the developing countries.

The hon. member for Broadview-Greenwood has objected to us giving a tax break when those dividends come back from those companies dealing in these developing countries. The alternative, if we are to tax the income which comes back to Canada from these new and necessary development projects, would be to wipe out and negate every development objective which is being offered by a host country. It would amount to the transfer of tax revenues from the foreign jurisdiction into Canadian coffers. This would be economic imperialism at its worst. This is the naiveté which was expressed by the hon. member opposite.

In conclusion, Mr. Speaker, these tax treaties are part of a regime of taxation which recognizes the reciprocal advantages that two countries sitting down together can work out to their mutual benefit from the sharing of tax revenues where business cuts across international borders.

Canada is at the heart of international business, and international trade is part of Canada's lifeblood, even more so than any other country in the western industrialized world. We need to get on with these tax treaties. We need to have more of them. I compliment the minister on what he has achieved, and I ask the co-operation of the House in concluding many more such treaties.

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

**Hon. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I shall take only a moment or two at the third reading stage of this bill. First, I should like to join with the hon. member for Broadview-Greenwood (Mr. Rae) in expressing the hope that we will soon see an increase in the number of reciprocal agreements in the pension field, along with these reciprocal tax treaties. I am glad that the Minister of National Health and Welfare (Miss Bégin) was able to announce today that another one is about to be signed, namely, with Portugal. I know she is working on agreements with other countries such as Belgium, the United Kingdom, France, Germany and perhaps others. I realize that concluding these agreements requires some give and take on both sides, so we cannot always blame the government because it does not get an agreement with another country. These matters are very important to many persons living in Canada, and I hope that she will stay with it.

● (1440)

At the same time, I would like to impress upon the Minister of State for Finance (Mr. Bussières), the urgency of continuing the tax treaty negotiations with West Germany. When this bill was at second reading we had a bit to say about it, and the minister agreed with our contention that something should be done and that the blame should not all be put on West

### *Judges Act*

Germany. I am interested in this matter because the tax arrangements between these two countries also have a bearing on the pensions and the pension income of many former German citizens living in Canada.

In view of what the minister said at second reading, I was hoping that by the time we got to third reading a convention with West Germany might be in the bill. I see that it is not there yet. I urge the minister to keep working on the matter as, again, I urge the Minister of National Health and Welfare to keep working on reciprocal pension agreements.

[Translation]

Motion agreed to, bill read the third time and passed.

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[English]

### JUDGES ACT

#### MEASURE TO INCREASE SALARIES OF JUDGES

The House resumed, from Monday, December 1, consideration of the motion of Mr. Chrétien that Bill C-34, to amend the Judges Act and certain other acts in consequence thereof, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

**Mr. David Kilgour (Edmonton-Strathcona):** Mr. Speaker, when the debate last adjourned, I was making the point that the bill was abusive of taxpayers and insulting to past, present, and future judges. It is abusive of the taxpayers because the salary increase of up to \$16,000 per judge is unreasonable in the circumstances in which the country finds itself, and it is unreasonable with respect to pensions because the 1 per cent contribution rate, considering the richness of the benefits to be conferred, is unreasonable. To put it in stronger language, it is bordering on the obscene, and is what I call a rake-off at the public's expense.

I will attempt to amplify some of these points, but before doing so I would point out that my wife and I, both lawyers, may suffer for this intervention in due course. I believe that what I am saying is true, and I hope that some judge will not in the distant future take it out on my wife if she should appear in court.

**Mrs. Appolloni:** Oh, oh!

**Mr. Kilgour:** To the hon. member for York South-Weston (Mrs. Appolloni), I have no doubt that should I go back to court work some judge, and I hope not many, will take it out on me. I am simply making the point that judges should not apply guilt by association to my wife.

The Minister of Justice (Mr. Chrétien), who is not here today—in fact, looking around I do not see anybody who was here the last time when we had something of a free-for-all on this matter—made the point that I was denying judges what he called “decent increases”. The Minister of Justice is also the Minister for Social Development, which is a role which demands some concern for the public at large as to the use of