

confused points in the question and I have already found unfortunately such confusion among a number of citizens.

First of all, the family allowance to be paid by the federal government to Quebec will be taxable under the terms of the federal Income Tax Act. The situation will be the same in Quebec as in the other provinces. Second, the minimum provided by the federal law is \$12, or 60 per cent of \$20; and third, the allowances payable by Quebec itself to its citizens, out of its own revenue will not be taxed under the provincial income tax act as they will take the place of the exemptions provided for in the federal act.

I therefore take this opportunity to clarify the matter in order to stem rumours that Quebec is being favoured in relation to the other provinces.

**Mr. Lambert (Bellechasse):** Mr. Speaker, I wish, first of all to thank the minister for his explanation, and then to ask him a supplementary.

I hope Bill C-211 will be passed and come into effect on January 1. May I be allowed to ask the minister whether the bill that was passed during this session increasing family allowances to \$12 will be automatically rescinded and replaced by Bill C-211, without taking into account the one we passed and which took effect on October 12?

**Mr. Lalonde:** Mr. Speaker, I am pleased to confirm that such will be the case if hon. members of the Progressive Conservative Party can get organized and decide to approve the bill that it may be passed as soon as possible.

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● (1510)

[English]

#### AIR TRANSPORT

##### HEAD TAX ON PASSENGERS—SUGGESTED CHANGE FOR PASSENGERS USING FEEDER AIRLINES

**Mr. Allan B. McKinnon (Victoria):** Mr. Speaker, my question is for the Minister of Transport. Since the announced head tax of \$2.80 on air passengers means an increase in the Victoria-Vancouver air fare of 21½ per cent and four out of five passengers leaving Victoria are going to Vancouver, is the minister considering any changes designed to make this new tax less discriminatory against people who live on islands or reside in cities and towns on feeder airline routes?

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

**Hon. Jean Marchand (Minister of Transport):** The answer is no, Mr. Speaker.

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#### COMMUNICATIONS

##### CANADIAN NATIONAL—CANADIAN PACIFIC TELECOMMUNICATIONS—APPLICATION FOR INCREASE IN RATES—GOVERNMENT ACTION TO PROTEST

**Right Hon. J. G. Diefenbaker (Prince Albert):** Mr. Speaker, my question is directed to the Minister of Com-

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munications. I ask him whether he will make the House aware of the application by Canadian National and Canadian Pacific Telecommunications for an increase in rates. Will he let the House know what the nature of the application is?

[Translation]

**Hon. Gérard Pelletier (Minister of Communications):** Mr. Speaker, when those applications for tariff increases are submitted to the Canadian Transport Commission, I think that they become public documents. If a public document has been filed with the Transport Commission, I will be pleased to send a copy to the right hon. member in both official languages.

[English]

**Mr. Diefenbaker:** It is apparent that the minister does not know what is going on, so I will ask him whether or not there is to be an application for a 100 per cent increase in respect of the transmission of news stories, and whether smaller radio stations across the country have already protested that this increase will create a very serious situation for them financially? Furthermore, will the minister arrange for counsel to represent the minister and the government of Canada before the Transport Commission and take the strongest possible exception to such an increase at this time?

[Translation]

**Mr. Pelletier (Hochelaga):** It is also quite obvious, Mr. Speaker, that the right hon. member knows very little about the matter. I explained to the House not very long ago—and moreover it seems to me that the right hon. member was there—that the minister, unless there are quite exceptional circumstances, refrains from making representations to the telecommunications committee of the CTC. The reason is that eventually as minister, he can be called, as he was in June last, to recommend to the cabinet that it should amend the CTC decisions. If he complied with the suggestion of the right hon. member, he would therefore find himself in the position of the lawyer and subsequently the judge in the same cause.

[English]

**Mr. Diefenbaker:** The high spirits of hon. gentlemen opposite today indicate that their fear of defeat on Monday has been removed. I ask the minister: does he say there is no example of a government being represented by counsel before the Transport Commission to object to an application for rate increases? Does he say this has never happened?

[Translation]

**Mr. Pelletier (Hochelaga):** Mr. Speaker, under a Progressive Conservative government everything could happen; so this may well have happened too.

[English]

**Mr. Speaker:** Order, please. This is a very interesting exchange between the right hon. gentleman and the minister, but I wonder whether we might not now move to the next question.

**Mr. Diefenbaker:** The fact that it has been done indicates it was needed. The fact that the minister is not going