

ment with positive indications of where government policies could be effective.

2. At the Club of Rome's annual meeting in Berlin, October 14-17, 1974, Professor Gabor presented a short review of the major results of the study, which is nearing completion and which will be generally available.

CANADIAN CONSTRUCTION INFORMATION CORPORATION

Question No. 312—Mr. Herbert:

1. On what date did phase I of the system of the Canadian Construction Information Corporation begin?
2. How many subscribers were included?
3. What is the target date for full operation?
4. What is the total of funds provided to the Corporation to date?

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1. The pilot phase of the Canadian Construction Information Corporation started on August 1 in Toronto, September 10 in Montreal and September 12 in Ottawa.

2. A total of 30 information users were included.
3. The target date for full operation is April, 1976.
4. Total funds provided to the corporation to date are approximately \$1,500,000.

DELIVERY OF TELEGRAMS WHICH CANNOT BE TRANSMITTED BY TELEPHONE

Question No. 315—Mr. Herbert:

Are telegrams which cannot be transmitted by telephone mailed with often lengthy delay in delivery and will the government consider measures making it obligatory that the telegraph agency attempt to advise the sender when the message cannot be completed in the normal time?

Hon. Gérard Pelletier (Minister of Communications): Certain messages which cannot be delivered by telephone are delivered by mail. However, in the case of emergency messages the telegraph company uses every means at its disposal to reach the addressee, and the sender is normally informed of the difficulties experienced by the company to reach the addressee. The Railway Act has been interpreted as conferring jurisdiction on the Canadian Transport Commission principally in the area of telegraph tolls. Consequently, changes in legislation would be required if such sender notification were to be made obligatory. The government does not contemplate introducing such legislation at this time.

TENDERS ON FIBREGLASS PROTECTION VESSELS—DEPARTMENT OF SUPPLY AND SERVICES

Question No. 321—Mr. Crouse:

1. Was Philbrooks Shipyards of Sidney, British Columbia the low bidder on three 65-foot fibreglass protection vessels as ordered on October 4, 1974 by the Department of Supply and Services and, if so (a) were other bids reviewed (b) what was the name of the company and amount of each bid?
2. What will be provided on these ships in the way of protection equipment when used by the Department of the Environment?
3. Is it the intention of the government to have these ships operate 12 months of the year and, if so, in what areas?

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4. What assurances does the government have from the builder of seaworthiness of these ships in the winter months?

Hon. Mitchell Sharp (President of the Privy Council): I am informed by the Departments of Supply and Services and the Environment as follows: 1. Only one firm submitted a tender, i.e. Philbrook's Shipyards Ltd.

2. These vessels will be constructed and equipped in accordance with the applicable regulations under the Canada Shipping Act. These regulations are administered by the Canadian Steamship Inspection sector of the Ministry of Transport. For example, the vessel will be fitted with lifesaving and firefighting equipment as prescribed by the Lifesaving Equipment Regulations and the Fire Detection and Extinguishing Equipment Regulations, respectively. These vessels are too small to be fitted with helicopter landing facilities.

3. It is the intention that these vessels would operate to meet fisheries protection requirements throughout the year. The vessels will operate from three bases. The first vessel will be based at Port Alberni, Vancouver Island, British Columbia, and will operate off the West Coast of Vancouver Island. The second vessel will be based at New Westminster, British Columbia and will operate in the Strait of Georgia and adjacent waters. The third vessel will be based at Nanaimo, British Columbia and this vessel will also operate in the Strait of Georgia and adjacent waters.

4. All vessels that are built for the Department of the Environment are built to meet the specifications established by the Canadian Steamship Inspection service of the Ministry of Transport. It is the responsibility of the builder to meet these safety requirements, and the vessel would not be permitted to proceed to sea without a safety certificate issued by the Ministry of Transport.

TAX FREE BONDS

Question No. 334—Mr. Herbert:

1. Has the government rejected the introduction of tax free bonds and, if so, for what reasons?
2. Will the government consider tax changes to facilitate the issuance by municipalities of tax free bonds?

Hon. John N. Turner (Minister of Finance): At the present time the government does not intend to introduce tax free bonds for the following reasons: 1. In a tax system such as ours, based on graduated rates of taxation the use of tax free bonds would primarily benefit upper income taxpayers, because a non-inclusion in taxable income is more valuable to taxpayers who would otherwise be required to pay a greater proportion of their income in the form of tax. Such a result would introduce unfairness into the income tax system.

2. There is a tendency to overestimate the extent to which a tax exemption for interest would enable municipalities to borrow money at lower rates of interest. The tax exempt feature would not attract tax exempt purchasers such as pension plans or charitable foundations and therefore the market for these bonds would be restricted. Finally, the increased competition caused by the entry of tax free bonds might cause confusion in the capital markets and cause a rise in interest rates on taxable bonds in