

## INDUSTRY

## INQUIRY WHETHER STEPS TAKEN TO IMPROVE PRODUCTIVITY

**Hon. George Hees (Northumberland):** Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. As industrial productivity, which as the minister knows is production per man per hour, has increased by an average of 3.8 per cent a year ever since the end of the Second World War, and as the minister's own department now is forecasting that this year industrial productivity will decrease by nearly 2 per cent—that is the main reason why costs and selling prices have increased so much this year, which have made it more difficult for our products to sell and caused the slide further into our present recession—would the minister advise the House what steps he and his department are taking to improve productivity and stop this very serious situation from further worsening in this country?

**Hon. Herb Gray (Minister of Industry, Trade and Commerce):** Madam Speaker, improved productivity involves a co-operative effort between business and labour as well as both levels of government. We are working to have improved consultative measures in place as well as to have in place new or updated programs under my department and others to help provide the necessary assistance to enable plant and equipment to be renewed and upgraded so as to bring about the kind of productivity improvement which I am glad my hon. friend agrees has to be in place in this country.

**Mr. Hees:** Madam Speaker, the minister has given a very general answer which really does not answer the question at all. Have he and his officials considered introducing productivity incentives to be paid in direct proportion to increases in productivity and in this way give industry a real and positive incentive to increase productivity and get done what has to be done in the shortest possible space of time?

**Mr. Gray:** Madam Speaker, we have been reviewing actively a range of possible initiatives, including some of the kind my hon. friend has talked about. However, for definite decisions and announcements I hope my hon. friend will be close at hand so that as the months go by he will find himself satisfied with the announcements and achievements which will ensue.

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● (1450)

## ADMINISTRATION OF JUSTICE

## INQUIRY RESPECTING HEAVIER PENALTIES FOR ILLEGAL POSSESSION OF DRUGS

**Mr. Peter Lang (Kitchener):** Madam Speaker, my question is for the Minister of Justice. In view of the fact that an inquest into the death of a Toronto woman because of a drug overdose revealed that tighter control of dangerous drugs is necessary, and that one of the recommendations of the jury in the inquest was that penalties for obtaining a prescription for narcotic drugs from more than one physician at the same time

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be changed to an indictable offence from its current status as a summary conviction, can the minister assure the House that changes to the Food and Drugs Act and the Narcotic Control Act will be made to make it more difficult to obtain dangerous drugs and to provide stiffer penalties for those obtaining these drugs illegally?

[Translation]

**Hon. Jean Chrétien (Minister of Justice and Minister of State for Social Development):** Madam Speaker, I take note of the hon. member's recommendation. When revising the act we shall heed his representations.

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[English]

## THE BUDGET

## INQUIRY AS TO POSSIBLE TAX-FREE BENEFITS TO WORKERS IN NORTHERN AREAS

**Mr. F. Oberle (Prince George-Peace River):** Madam Speaker, my question is directed to the Minister of Finance. As he is aware, it has been the practice of the government with large corporations operating in the northern parts of the provinces and the territories to give incentives and benefits to their employees to attract them to work in these isolated areas. Also there is no provision in the Income Tax Act to allow for these benefits to be earned without being subject to income tax. Can the minister enlighten us today as to whether it is his intention tomorrow night to make reference to this matter in the budget? Is it his intention to bring in a bill which would make the necessary provision in the Income Tax Act to allow for these benefits to be earned by northerners without having to pay tax on them?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, I understand the basis of the hon. member's representations, but at this point it is not possible to indicate what will be in the budget statement; otherwise I will be accused of leaking the budget.

**Mr. Oberle:** Madam Speaker, it would really require a bill. I ask the minister whether it is the intention of the government to introduce such a bill. Would he at least have the decency to commit himself today to saying that the remission order, in place as a result of the May election, will be extended past this tax year so that the anxiety and fear experienced by northerners in respect of this matter can be allayed; and furthermore, that the government will not profit from the high cost of living to which northerners are subjected as a result of geography and isolation?

**Mr. MacEachen:** Madam Speaker, if the hon. member and I are thinking of the same provision that was made with respect to northern allowances—

**Mr. Nielsen:** Only until April.