

Oral Questions

member sitting at the other end of the chamber who perhaps has rights, too.

Some hon. Members: Hear, hear!

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[Translation]

FINANCE**NEW GOVERNMENT BOND ISSUE—POSSIBILITY OF USING OTHER METHODS OF FINANCING**

Mr. Eudore Allard (Rimouski): Mr. Speaker, in the absence of the Minister of Finance I will put my question to the Prime Minister.

The government of Canada launched yesterday a \$425 million bond issue bearing interest at 7 ¾ per cent for five years, and that may be exchanged against bonds at 8 per cent for seven years. This was announced in all papers dated September 18.

Here is my question: Does the government consider looking for less expensive methods of raising funds, despite the substantial national production of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am convinced that the government of Canada would much rather borrow at lower rates if in fact citizens wanted to lend to the government of Canada at lower rates. The hon. member knows that the bank borrows from Canadians on their savings at rates determined by the market, and it is because Canadians themselves do not want to lend at cheaper rates to the government that we have those rates.

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● (1510)

[English]

TRANSPORT**PAYMENTS BY CANADIAN PACIFIC SEAMEN INTO UNITED STATES RETIREMENT FUNDS—REQUEST FOR ACTION TO STOP PAYMENTS AND OBTAIN REFUND**

Mr. Paddy Neale (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the fact that over 200 seamen employed by a Canadian shipping company, namely, the CPR, are being forced by American law to pay over 10 per cent of their net income into the American railroad retirement fund and the U.S. social security fund, and in view of the fact that these seamen have practically no chance of drawing either a pension or social security benefits, will the minister take this matter up with the appropriate Canadian government department with a view to meeting with its American counterpart in an attempt to negotiate an agreement that would allow these Canadian seamen exoneration from this onerous foreign tax?

Hon. Jean Marchand (Minister of Transport): Yes, Mr. Speaker.

Mr. Neale (Vancouver East): In view of the fact that this agreement has been in effect for nearly 40 years, and [Mr. Speaker.]

in view of the fact that the railroad retirement plan now controls millions upon millions of dollars belonging to Canadian workers, would the minister also attempt to negotiate for the return of these moneys to their rightful owners?

Mr. Marchand (Langelier): Yes, I will inquire into all this. I think the hon. gentleman knows what is implied in it. You have labour agreements which apply at the same time in Canada and the United States.

Some hon. Members: Oh, oh!

Mr. Marchand (Langelier): O.K. Let us say that I will get the details and reply later.

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ADMINISTRATION OF JUSTICE**APPOINTMENT OF PATRICK MAHONEY AS FEDERAL JUDGE—INQUIRY AS TO ENDORSEMENT BY CANADIAN BAR ASSOCIATION**

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister. Since the political morality of a government is tested by its appointments to the bench, can the Prime Minister tell the House what legal background and experience justify the appointment of Mr. Patrick Mahoney to the Federal Court of Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, without really getting into a specific case I could say that the practice which I followed as minister of justice has been followed ever since by succeeding ministers of justice, and that practice is to consult with the Canadian Bar as to the suitability of candidates.

Mr. Nowlan: I am glad the Prime Minister got to the last part of his answer. Before the appointment was made, were there any consultations with any law society or the Canadian Bar Association about Mr. Mahoney's elevation to the bench, and was the government advised that there would be no endorsement of that elevation?

Mr. Trudeau: I have just outlined the type of consultation that takes place and which I am sure took place in the case of the hon. gentleman who has been named.

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TRANSPORT**NEWFOUNDLAND FERRY SERVICE—CONSTITUTIONAL RESPONSIBILITY OF FEDERAL GOVERNMENT—ACTION TO CLEAR BACKLOG OF FREIGHT**

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to direct a question to the Prime Minister. In view of the government's clearly defined responsibility to the province of Newfoundland to maintain a ferry service between that province and the mainland, and in view of the fact that the government's own ferry operating agency was allowed to disrupt that service, albeit by a strike, may I ask what the Prime Minister is going to do in line with that constitutional responsibility to ensure that the back-