

THE CANADIAN ECONOMY

ANTI-INFLATION PROGRAM—POSSIBLE PROVINCIAL AGREEMENT ON USE OF SURTAX TO CONTROL PROFESSIONAL FEES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question for the Minister of Finance concerns, in the opinion of many, the lack of effective control imposed on professional incomes under the government's control program and the Prime Minister's attempt yesterday to shift responsibility to the provinces. Has the government obtained agreement from the provinces concerning the procedures for controlling professional incomes and, specifically, has the federal government proposed to them the levying of a special surtax as a means of achieving this end?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I remind the hon. gentleman that the finance ministers agreed at their meeting that decisions with regard to professional incomes should be joint responsibilities of the federal and provincial governments. In that sense, it would be a mistake to describe this as a shift in responsibility. A working party of federal and provincial officials has prepared proposals about professional incomes. This question will be discussed at the meeting next week and we hope that either at that meeting or at a subsequent meeting of ministers of finance, these proposals will receive final confirmation.

Mr. Broadbent: A supplementary question, Mr. Speaker. Since it will be totally impossible for any one, two or three provinces on their own to control professional incomes, as professional people in the absence of a national program would simply move from one province to another, will the minister assure the House that any province's failure to institute a serious program for controlling professional incomes will result in the federal government's imposing such a program on the province which has neglected to do so; and, specifically, will the government put teeth into such proposal by levying a special 100 per cent tax to tax away increases in income beyond the \$2,400 ceiling imposed on other Canadians?

Mr. Macdonald (Rosedale): Mr. Speaker, that, of course, is the effect of the over-all program. Without question, professional incomes, like other incomes, are subject to the guidelines and the ceiling to which the hon. gentleman referred. The principal question for discussion is the most effective means of monitoring this. We have proposed to establish, with the provincial governments and professional associations, a standard form of billing which will be reviewed for the purpose of seeing if there has been any violation of the guidelines. We also propose that it shall be mandatory for professionals to file with the Anti-Inflation Board a statement of their professional income, so that it can be seen if in an individual case there has been an excess beyond the guidelines, to which the provisions of Bill C-73 will apply.

Mr. Broadbent: A final supplementary question, Mr. Speaker. The minister having acknowledged before the Standing Committee on Finance, Trade and Economic Affairs on November 7 that what he just said will not apply to professionals if their additional income is earned

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from "additional effort", or, I would add, if they change the mix of the kind of services they provide and increase income by that method, and as either of these loopholes is open to virtually all professionals, which, as the experience of other countries shows, will make professional income controls totally ineffective, will the minister answer my question, yes, or no. Will the government impose a special surtax on professional incomes, that is, on the total income in excess of the \$2,400 ceiling?

Mr. Macdonald (Rosedale): Mr. Speaker, I have already answered that question. Under Bill C-73 that exact régime applies. With regard to any professional person found to have exceeded the guidelines, that is the régime that would apply. The hon. member refers to it as being a loophole, that professional people should not be entitled to get a further return for more effort. I would point out that this is the same provision for blue collar workers on piece rate and for people working overtime. The same exemption exists throughout the work force.

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[Translation]

EXTERNAL AFFAIRS

REFUSAL OF FRANCE TO INVITE CANADA TO ECONOMIC SUMMIT MEETING

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, in the absence of the Secretary of State for External Affairs, my question is directed to the Acting Prime Minister.

According to the latest news, the new Canadian ambassador to France, Mr. Gérard Pelletier, had not yet presented his credentials to the French authorities while at the same time France simply ignored Canada for the important economic summit in Rambouillet scheduled for the weekend. Considering that this is an important issue, can the minister take stock of this matter and indicate whether Canada intentionally delayed the presentation of these credentials because of the attitude of France concerning the economic conference, to show the French government that Canada and the United States are not the same country but that Canada has its own social, cultural and economic identity?

Miss Monique Bégin (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I have never heard of such innuendo but I shall refer the question to the minister for checking.

DELAY BY AMBASSADOR TO FRANCE IN PRESENTING CREDENTIALS—GOVERNMENT POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask a supplementary question. In that case, can the minister tell the House if he knows why Canada has not been invited to Rambouillet? Has not the ambassador, immediately upon assuming his functions, presented his credentials to ensure the presence and the very existence of Canada in France?