

3. No accommodation was "leased" in the same sense at other hotels. However, normal reservations were secured well in advance at the Windsor Hotel, Ritz Carlton Hotel and the Chateau Champlain in Montreal when the need arose. The same arrangements were made for accommodation at the Chateau Laurier in Ottawa.

DEUTERIUM OF CANADA LIMITED HEAVY WATER PRODUCTION

Question No. 716—Mr. Basford:

1. Regarding the answer given to question 484 on November 8, 1967, what quantity of heavy water was stipulated for production by Deuterium of Canada Limited between July 31, 1966, and March 1, 1968?

2. What is the estimate of the cost of the heavy water that will have been purchased from abroad between July 31, 1966 and January 1, 1968?

3. Did the government of Canada expect to sell abroad any heavy water acquired by Atomic Energy of Canada Limited from Deuterium of Canada Limited and, if so, what was the estimate of the total price of the heavy water that was to have been sold between July 31, 1966 and January 1, 1968?

4. What are the basic terms of the contract made on September 9, 1966?

5. What provisions do the two contracts with Deuterium of Canada Limited contain for compensating Canada for extra costs and losses incurred because of failure of Deuterium of Canada Limited to produce on schedule?

Hon. Jean-Luc Pepin (Minister of Energy, Mines and Resources): 1. Approximately 300 tons.

2. Approximately \$2,800,000.

3. Not prior to January 1st, 1968.

4. The basic terms of the contract are that Deuterium of Canada Limited will construct a heavy water production plant and produce stipulated quantities of heavy water and that Atomic Energy of Canada Limited will underwrite the sale of such heavy water by guaranteeing to purchase unsold heavy water at stipulated prices. Atomic Energy of Canada Limited has an option to purchase all or any part of such heavy water.

5. Although two contracts have been executed only the September 9th, 1966 is in force since the 27th February, 1964 merges in the later contract. The September 9th, 1966 contract contains no provision for compensating Canada for any costs or losses incurred because of late delivery. The contract does contain a schedule of prices dropping from \$20.50 per pound for the first 1,000 tons in four steps to \$16 per pound for the fifth 1,000 tons. Should Deuterium of Canada fail to meet the

Questions

delivery schedule spelled out in the contract, the next lowest price will become applicable on the date when in accordance with such schedule delivery should have been effected.

*** APPLICATION OF INCOME TAX TO GIFTS TO PROVINCES AND MUNICIPALITIES**

Question No. 721—Mr. Bell (Carleton):

1. Would the Minister of Finance consider recommending to parliament an amendment to section 27 (1) (b) of the Income Tax Act so that gifts made by a taxpayer to Her Majesty in the right of a province or gifts made by a taxpayer to a municipal corporation would enjoy the same status of deductibility as gifts made to Her Majesty in the right of Canada?

2. Have representations for an amendment to this effect been received from (a) any provincial government (b) any municipal corporation?

3. If so, from which ones?

Hon. Mitchell Sharp (Minister of Finance): Mr. Speaker, the answers to the three parts of this question are as follows: 1. This question concerns budget policy. If the government proposes any change in the Income Tax Act affecting deductions in computing taxable income it will be announced at the appropriate time.

2. No, but representations have been received directly from several museums.

3. Not applicable.

HAMILTON, ONT., POST OFFICE—PURCHASE OF TROLLEY CONVEYOR

Question No. 758—Mr. Howe (Hamilton South):

1. Was a trolley conveyor purchased by the Hamilton post office in 1961 for which a contract was let on January 16, 1962?

2. What was the quoted cost of the conveyor, and what was the actual cost including additions?

3. What has been the cost of maintenance up to February, 1965?

4. What firms tendered and what were the amounts tendered?

5. Is this conveyor still in use?

6. If not, on what date was its use discontinued and for what reason?

7. What was the total cost of this equipment to the taxpayer?

Hon. G. J. McIlraith (Minister of Public Works): 1. Yes, the Department of Public Works purchased a trolley conveyor for the Hamilton post office.

2. The price quoted on July 13, 1961 was \$81,745 exclusive of taxes. The ultimate price covering the cost of mechanical and electrical alterations, protection against falling mail bags, and taxes, was \$126,481.60.