

Income Tax Act

Affairs and National Resources, Mr. Speaker. In view of the urgent demands arising from Canada's expanding tourist industry and the increasing recreational needs of our own people, can the minister inform the house when action will be taken to implement the recreational parks program endorsed by the house last June 26?

Mr. Speaker: It seems to me that this is certainly a question for the order paper.

EARTHQUAKE DAMAGE

BRITISH COLUMBIA—REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I should like to address a question to the Prime Minister on a subject which, I assure him, is much more important in the minds of the people of the Alberni valley at the moment than the question of a new Canadian flag.

I should like to ask the minister whether, in the course of his meditations during his quiet week end, he was able to give reconsideration to the question of the size of the federal government's grant to the disaster fund and to come up with a suitable answer to that question.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it seems to me and to the government, having regard to the measure of the damage—and I do not depreciate that—and having regard to the responsibilities of the provincial government and the resources of the provincial government, that the federal contribution of a quarter of a million dollars is fair in the circumstances, and is in accord with the principles which have been followed in the past.

INCOME TAX ACT

The house resumed, from Thursday, May 14, consideration in committee of Bill No. C-91, to amend the Income Tax Act—Mr. Gordon—Mr. Lamoureux in the chair.

On clause 8.

Mr. Gordon: Mr. Chairman, it was suggested by some hon. members last year, and particularly I think by the hon. member for Edmonton West, that this particular provision should be made a permanent part of the act instead of an annual enactment in the bill from year to year. I wish to assure hon. members that this suggestion was very carefully considered. However, other legislation affecting special allowances for children will be proposed this year, and until it is put in final form it would not be known exactly how a permanent provision for this act should

[Mr. Dinsdale.]

be drafted, or whether such a provision will be necessary after 1964.

In these circumstances it seemed better to continue the annual provision in its usual form for at least one more year. I wish to assure hon. members of the committee that this matter has been very carefully considered, and I for one think as soon as the time is appropriate it should be incorporated in the act permanently.

Mr. Monteith: The other day the minister announced that he was withdrawing two or three of the sections having to do with family allowances. Is he proposing to give reconsideration to this particular annual re-enactment at that time, or a year hence?

Mr. Gordon: The provision dealing with the extension of the principle of family allowances will be incorporated in a special bill to be presented, I hope, in the very near future. I am suggesting it would be better to extend this particular provision for one year, and I hope by that time we can incorporate it in the act finally.

Clause agreed to.

On clause 9.

Mr. Nowlan: Is the minister going to make a further statement with regard to clause 9, which increases the abatement by the additional 2 per cent? He intimated, I think during his budget speech, what this might cost the treasury, and I wondered if he could amplify the situation with regard to this proposal at this time.

Mr. Gordon: In the full calendar year 1965, including equalization, the extra two percentage points will amount to somewhere around \$65 million.

Mr. More: Mr. Chairman, the other night I posed a question to the minister, and I think this is the proper clause on which to mention it again. Under the abatements arrangements some provinces have different charges from others, and I am wondering what the minister's reaction is to my question.

Mr. Gordon: I can assure my hon. friend that I did not overlook it. I have not examined all its implications with my officials, and I would like to defer taking any action on what, on the face of it, is a very interesting and sensible proposal until the full question has been investigated.

Mr. Nowlan: Following the dominion-provincial conference the Prime Minister announced that a committee was being set up, representative of the ten provinces and the federal government, to deal with the reapportionment of tax revenues vis-à-vis the