NATIONAL REVENUE

RETROACTIVITY OF PROPOSED BUDGETARY TAX EXEMPTIONS

Mr. Bruce Lonsdale (Timiskaming): Madam Speaker, my question is for the Minister of Finance. On Tuesday evening, in response to a question from the hon. member for Algoma during the adjournment debate, the minister's parliamentary secretary indicated that legislation would be forthcoming allowing wages paid to spouses by unincorporated small businesses to be deductible for income tax purposes and that the legislation would be retroactive to January 1, 1980. Could the minister assure the House that the other measures announced and tabled on April 21, 1980, in his ways and means motion, and particularly the measure increasing the volunteer fireman's exemption from $300 to $500 per annum, will also be retroactive to January 1, 1980, and that these measures will be implemented in time to take effect for the 1980 taxation year?

Mr. Crosbie: These are my proposals. Admit they are mine when you are on your feet.

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): The answer to the question is yes, Madam Speaker. I am glad the hon. member for St. John's West likes these proposals and that when they are brought forward he will ensure speedy passage.

Some hon. Members: Hear, hear!

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NATIONAL ENERGY PROGRAM

SELF-SUFFICIENCY IN OIL SUPPLY—GOVERNMENT POSITION

Mr. John Bosley (Don Valley West): Madam Speaker, my question is for the Minister of Finance. There is another fire we would like him to think about fighting, and that is the unemployment fire in this country. The Economic Council of Canada makes a couple of points which I think the minister will have to agree are not in support of his budget. They are to the effect that if we fail to miss our energy development possibilities, we stand to lose over 753,000 jobs in this country. That situation will occur if the projects which are needed, notably the heavy tar sands and the Alsands projects, are not built. The minister must now face the fact that the Economic Council's proposals for energy development are substantially different. My question, therefore, is this: Will he now agree, with the wisdom of the council to support him, that he should move off the position he has on energy pricing, support the council's position, get Canadians back to work and make Canada energy self-sufficient?

• (1450)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I have noticed this is one area where the council differed from the budget presentation because it recommended increases in the wellhead price of about $6 a year. That is greater than the amount proposed in the budget. The government has made it clear for quite some time that it would bring in a pricing regime which would have the effect of ensuring Canada's energy future and investment in the energy industry. That is my belief today, even though I have read and will continue to read the review of the Economic Council of Canada.

Mr. Bosley: Madam Speaker, it is precisely the deadlock caused by the difference in opinion between the Economic Council and the Minister of Finance that will cause more and more Canadians to be out of work. The question I must ask is this. Can the minister now tell us why he prefers a policy which says we shall have high interest rates to keep Canadian money in Canada, but we shall have, through his fiscal and energy policies, an energy deadlock which will drive Canadian money and jobs out of Canada? Can he resolve this conflict and will he now see it is no longer appropriate to remain pigheaded about the sharing arrangements with Alberta which the Economic Council of Canada criticizes, when what we need is to get the engine of energy driving this country ahead again?

Mr. MacEachen: Madam Speaker, the hon. member's question covers a broad field, including monetary policy and energy policy. Regarding energy, the Economic Council of Canada seems to agree very strongly with the Government of Canada in our desire to have an increased share of energy revenues in the country. In fact, one of the flaws they pointed out in current arrangements was the fiscal imbalance which existed between the federal government and especially the rich western provinces. This is one of the problems we are attempting to address in this budget in order to get more of the share of revenues now going, for example, to the province of Alberta. After all, we have reduced that share by about only two points, which is a rather modest amount.

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TREASURY BOARD

CRITICISMS OF DEPARTMENT IN AUDITOR GENERAL'S REPORT

Mr. Bill Clarke (Vancouver Quadra): My question is directed to the President of the Treasury Board. The Auditor General has reported again on some basic deficiencies which have continued over several years. He cites particularly the lack of attention to Treasury Board policies and inaccurate Treasury Board monitoring of compliance with its policies and lack of investigation into non-compliance. When is the Treasury Board going to display some responsible management on behalf of the Canadian taxpayer?

Hon. Donald J. Johnston (President of the Treasury Board): Madam Speaker, I have not had the opportunity to study the report in detail but I have had a preliminary look at a number of the comments. I am pleased to report that the Auditor General also indicates we are taking on these problems on a broad front and have demonstrated considerable progress in a number of important areas, such as the IMPAC