

*Income Tax Act*

productive and would provide him and his family with a means to live. The details of the bond were set out in the budget which was never passed; then in the mini-budget which was not passed either. The numerous small businessmen who are in dire need of relief from astronomically high interest rates do not know the regulations surrounding the Small Business Development Bond. As a result, the bond has not been used by the majority of citizens who should be using it. The bill should be passed by the House and the regulations established so that citizens can take advantage of it.

I should like to refer to one problem with legislation before the House. We receive the basis of the legislation which we put before the people of the nation, many of whom are pleased that we are trying to assist them. But, when the legislation is passed by the House and the regulations are in place, we find many of the suggestions that even we thought were contained in the bill, are not, in the final analysis. This is why many banks have been reluctant to use this bond program. Many members have suggested that it should be extended, that it should not be in place for only a specific period of time but rather until interest rates have dropped to a level acceptable to small businesses and farms. Members have also suggested that it be used not only for new capital requirements but for the maintenance of inventories. If a farmer goes into a large business establishment for the purpose of purchasing a new part for his combine, because the weather is holding and the old one has broken down, and finds that the firm is not capable of keeping an inventory because of high interest rates, he realizes how important it is for a program to be in effect which assists businesses in times of difficulty.

Now I should like to turn to the area of energy conversion grants. Many of us are concerned about the direction in which Canada is going, as far as conversion to renewable forms of energy or abundant sources of energy are concerned. I would like very much to make a speech on oil and gas although, of course, I realize that soon there will be other energy bills to provide that form. An \$800 grant is contained in the budget if one converts one's furnace to a renewable form of energy or natural gas. That is desirable; we want to encourage Canadians to take advantage of the many forms of available energy. But, there are two ways of doing it. The first is the grant, but the regulations are not available. There is something about a 50 per cent reduction in the amount of oil being consumed in one's home before one can apply for or receive the grant. So, there are difficulties until the regulations are defined. The second is a tax credit. Which is the better way to encourage Canadians to convert their furnaces? Is it through the grant system or through the tax credit system?

I have had many occasions to talk to the members of renewable energy committees across the country in the last number of years. In fact, my party suggested a tax credit to encourage individuals to convert their furnaces to the use of renewable forms of energy; we suggested a \$3,400 tax credit for this purpose.

Instead of paying taxes on that portion of their income, Canadians could have used it to put in place solar water

heaters, wood stoves or perhaps windmills to generate electricity or to heat their homes; also, it would have applied if one wanted to convert from oil to natural gas. There is a lot more incentive when an individual can take his own money, on which he may not have to pay taxes, to put a system that he understands fully into his building or house. He does not merely hire someone to instal a system which he does not know how to operate or is helpless if it should break down. Some people do not know the many requirements of installing and operating wood stoves. I have read stories about individuals who purchased and installed wood stoves, threw in some wood and wondered from where all the smoke came; they did not even realize that they needed stacks! Perhaps it is funny, but it happens. One must know how to utilize an alternative form of energy or the effort will just fail.

If the government is convinced that it must go the tax grant route, we in the opposition do not have the numbers to stop it. Surely an educational program should be put in place to assist Canadian citizens in learning about the various types of energy and their use. If there is no tax benefit, there is no encouragement for citizens to take advantage of it.

I think it would be a good thing to look at a tax credit system. It is a revolutionary system which was first introduced in the child tax credit which has worked very well. The Crosbie budget proposed a tax credit in order to allow citizens to better handle the increased costs of energy. It should be used as it is being used in many parts of the world, particularly in the United States, to encourage people to change to renewable forms of energy.

I realize my time has run out. There is a lot more about this bill which I would like to say, but I must save it for another time.

**Some hon. Members:** Hear, hear!

● (1600)

**Mr. Deputy Speaker:** Order, please. It being 4 p.m. the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely notices of motions, public bills and private bills.

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## PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

### BRITISH NORTH AMERICA ACT, 1867

#### MEASURE RESPECTING TENURE OF SENATORS

**Mr. Hal Herbert (Vaudreuil)** moved that Bill C-303, to amend the British North America Act, 1867 (tenure of Senators), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, may I say, first of all, that I was somewhat surprised to find myself called upon to speak this