

*Inquiries of the Ministry***PUBLIC ACCOUNTS****REFERENCE OF PUBLIC ACCOUNTS FOR YEARS ENDED
MARCH 31, 1969 AND 1970, TO STANDING COMMITTEE**

On the order: Government Notices of Motions.

May 9, 1972—The President of the Privy Council:

That the Public Accounts for the year ended March 31, 1969 and the year ended March 31, 1970, and the reports of the Auditor General thereon, together with the evidence adduced by the committee during the second and third Sessions of the 28th Parliament, be referred to the Standing Committee on Public Accounts.

Mr. Speaker: Pursuant to section 2 of Standing Order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the House.

Mr. MacEachen: Mr. Speaker, perhaps I might rise on a point of order to suggest that as a result of discussions it might be possible to move that this reference to the Standing Committee on Public Accounts be accepted at this time, if this could be done with consent.

Mr. Baldwin: We are quite agreeable. We think that the sooner we get these looked into the sooner we can look at the next ones which will be interesting.

Mr. Knowles (Winnipeg North Centre): The minister's point of order is the one on which I was rising, Mr. Speaker. Yes, we agree.

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That the public accounts for the year ended March 31, 1969 and the year ended March 31, 1970, and the reports of the Auditor General thereon, together with the evidence adduced by the committee during the second and third Sessions of the 28th Parliament, be referred to the Standing Committee on Public Accounts.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

ORAL QUESTION PERIOD**THE CANADIAN ECONOMY****PROJECTED CONSUMER DEMAND LEVEL—ADEQUACY TO
SUPPORT ECONOMIC EXPANSION IN LIGHT OF
INCREASE IN PERSONAL INCOME TAX ON JANUARY 1,
1973**

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister—I do not know whether he is visiting Rideau Hall or where he is—I should like to direct a question to the Minister of Finance.

An hon. Member: You are nervous.

Some hon. Members: Hear, hear!

[Mr. Laing.]

Mr. Stanfield: I should like to ask the Minister of Finance upon what projections of consumer demand levels he based his decision to allow an increase of 3 per cent in personal income taxes to come into effect on January 1 next?

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I do not agree with the hon. gentleman's premise. There was nothing in the budget affecting personal income tax. This parliament three or four weeks ago extended for the year 1972 the temporary 3 per cent reduction on personal income tax and the 7 per cent reduction on corporation tax which were introduced in October last by my predecessor. In the terms of that law, a law of this parliament, both the 3 per cent temporary reduction in personal tax and the 7 per cent reduction in corporate tax will expire at the end of 1972 except, of course, for manufacturers and processors with which the budget dealt. I would say to my hon. friend that in terms of personal tax I discussed this matter thoroughly when various options were put to me by the press as to what alternatives were available to me, and I explained to them what I intended to do on the basis of the resources available to me. Personal taxes will continue to decrease under the tax reform legislation of my predecessor under the four-year schedule which he set out, and of course the exemptions will be higher.

Mr. Stanfield: I thought we were getting into a debate for a minute, Mr. Speaker. I should like to ask a supplementary question of the Minister of Finance. Granted that those of us who are members of this chamber and are very knowledgeable about taxation matters realize that the rate of taxation on personal income will increase again the first of January, I wonder why, in view of the very fulsome way, to use the minister's own words, in which he approached the general outline of the government's position, he did not feel it necessary to mention during the course of his budget speech that personal income taxes would go up again on the first of January next?

• (1420)

Mr. Speaker: Order, please. The Chair will allow the minister to reply, but I take the liberty to remind hon. members, before we spend too much of the question period on the budget, that we do have a budget debate later today. This having been said, the question has been asked and the Minister of Finance should be allowed to reply.

Mr. Turner (Ottawa-Carleton): The answer to that quite clearly is that the budget did not touch on the personal income tax. I went on the assumption that parliament was aware of the present provisions of the law.

Mr. Baldwin: How about the people?

Mr. Stanfield: As I indicated, all of us here are well aware of the situation but we thought it might have been wise for the minister to disclose it to the public.

As a final supplementary question on this point, and out of respect for the view that you have expressed, Mr. Speaker, I wish to ask the minister again upon what his