

It is not going to cost the government much to put the people who live in Newfoundland, New Brunswick, Ontario, Manitoba, Saskatchewan, British Columbia, Alberta, the Northwest Territories, the Yukon Territory and Quebec on exactly the same basis as the people of Nova Scotia and P.E.I. That is why we are moving this amendment.

Incidentally, there are only seven million households in Canada which could possibly receive this grant over the next seven years, and only 1.223 million are eligible next year, so how the minister is going to lose \$560 million through this clause there is no way of telling.

If hon. members vote against this amendment they are voting to put a tax burden on the people who live in their provinces. That burden is not justified, and it will not be placed on the people who live in Nova Scotia and P.E.I. Being from Newfoundland, I am certainly not going to vote for that. We in Newfoundland should pay the same taxes as people who live in Nova Scotia, Ontario or British Columbia. We should not be taxed differently because we live there. I have never heard such a principle being suggested before.

Because we have closure I cannot go into the other 1,000 arguments in favour of this, but any hon. members opposite who vote for this clause certainly deserve to go down to resounding defeat, particularly hon. members from New Brunswick and other unfavoured parts of the country like the north. Any hon. member who votes to have this tax apply to citizens in their constituencies and not to other citizens should be defeated. I hope hon. members opposite will break the heartless, merciless discipline they are under and vote with the opposition.

Mr. Chrétien: Mr. Chairman, I would like to make just one clarification. I have had those estimates looked into again by my officials, and they maintain that it will probably be \$560 million which will be lost in terms of revenue. That could vary, because it is an estimate of the situation over a period of seven years, and we cannot forecast exactly what will be the rate of income tax for everyone who will be receiving grants. Of that \$560 million, \$360 million will be lost to the federal government coffers, and \$200 million will be lost to provincial government coffers. I am very surprised that a former minister of finance of Newfoundland would not care more about revenue for his own province's treasury.

Mr. McCain: Mr. Chairman, on the same question, I would like to ask the minister if he has assessed the effect upon an old age pension recipient who has supplementary benefits when she is reported to have an additional income of \$350. If it is interpreted in the regular way, it means a decline of some \$15 or \$18 per month in the supplementary benefits which the old age pensioner would receive. Has that little snag been considered by the minister's department or by the Department of National Health and Welfare? Are old age pensioners in receipt of supplementary benefits to be penalized?

Mr. Chrétien: Mr. Chairman, I am not sure the situation described by the hon. member will apply. There is provision in

Income Tax Act

the bill that a person in that circumstance will not see her supplementary income diminished by that, and I will provide the hon. member with the clause. It is clause 115.

Mr. McCain: The reason I raise the question is that an old age pensioner in receipt of supplementary benefits in my area was advised by the officer supervising that structure in New Brunswick that she would definitely lose somewhere between \$15 and \$18 per month if this amount of money is considered taxable.

Mr. Chrétien: Mr. Chairman, perhaps the hon. member would like to pass the information contained in clause 115 on to the officer who gave that misleading information. CHIP grants will not affect the amount of the supplement.

Mr. Brisco: Mr. Chairman, I would like to ask the minister if what he is stating is confirmation of a question which was addressed to the Minister of National Health and Welfare and a statement she made on this issue in the House earlier this year.

Mr. Chrétien: This is exactly the same question, and my colleague was giving the same information to the House at that time.

● (2142)

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Crosbie) negatived: Yeas, 39; nays, 55.

The Chairman: I declare the amendment lost.

Mr. Stevens: At an earlier session of this committee I raised the procedural question as to whether subclause 5 is in order, bearing in mind the wording that we find in the income tax motion. You will recall, Sir, at that time I made the basic argument that there was a very wide discrepancy. Subclause 5 is worded as follows:

That it will apply to any proscribed program of the Government of Canada.

Whereas the actual income tax motion refers to a much more limited type of taxation, being limited solely to the Canadian home insulation program. Mr. Chairman, when we dealt with this on December 1—

The Chairman: Order, please. The hon. member is raising a very important point of order on which the Chair will have to make a decision. I hope the hon. members will either listen or, if they have other business to attend to, leave the committee.

Mr. Stevens: Thank you, Mr. Chairman. On Monday when we were discussing this point of order I asked the Minister of Finance to explain to the committee why he felt that the wording we have in this bill is proper. I pointed out to the minister that the wording in the income tax motion seems to deal only with the question of taxation of the home insulation program—which presumably means the grant—whereas the wider wording in the bill would appear to cover any program