

farmers under the Lift program, can the minister say why these demands are being made?

Hon. H. A. Olson (Minister of Agriculture): I am sorry, Mr. Speaker, but I did not hear the hon. member. Which payments is he talking about?

Mr. Schumacher: Mr. Speaker, my question relates to the great number of demands being made by the minister's department for the return of payments made to prairie farmers under the Lift program. I would like to know why these demands are being made?

Mr. Olson: Mr. Speaker, if it is a question of a return outlining what has been done under the Lift program, this is no problem, but I am not quite sure what the other matter is. Sometimes overpayments are discovered when the auditing or inspection is done, and if we find that an overpayment has been made in relation to the acreage then, of course, we are obliged to demand a return of that overpayment.

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LABOUR CONDITIONS

CORRECTNESS OF PUBLISHED REVIEW OF LAY-OFFS— GOVERNMENT ACTION TO ALLEVIATE CONDITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the report in the *Canadian Press* two days ago reviewing some 9,000 lay-offs that are already in effect or else planned for the very near future, can he say whether he is aware of that report and, if so, can he say whether or not that report is correct?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, I am not aware of the particular report referred to and therefore cannot say whether it is correct.

Mr. Nystrom: Mr. Speaker, can the Acting Prime Minister say whether or not the government has its own agencies compiling this information? If so, can he say how many lay-offs we can expect in the near future, and what the government is doing to stop this trend?

Mr. Drury: Mr. Speaker, I am not sure that I entirely understand the question. I shall read it in *Hansard* and see if it can be answered.

Mr. Speaker: Orders of the day.

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BUSINESS OF THE HOUSE

Mr. Baldwin: On a point of order, Mr. Speaker, in view of the fact that there has been some discussion among House leaders as to the order of business for next Monday with regard to motions and other House business, could the Minister of Agriculture possibly tell us precisely what will be done on Monday, both in the afternoon and evening?

Mr. Olson: Mr. Speaker, I have not been party to any such discussions but so far as I know there is no change from the announcement that has been made.

Income Tax Act

• (12:10 p.m.)

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Wednesday, September 29, consideration of the motion of Mr. Gray (for Mr. Benson) that Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law relating to or consequent upon the amendments to that act, be read the second time and referred to the committee of the whole, and the amendment thereto of Mr. Lambert (Edmonton West) (p. 7763).

Hon. J. A. MacLean (Malpeque): Mr. Speaker, when the House rose on Wednesday, I was speaking about the danger of taxation burdens increasing at a greater rate than either our population or our gross national product. I said that this increase is a geometric progression which expands at an ever increasing rate as time goes by. With that background, I now wish to turn to the necessity for a meaningful tax reform.

I think it is regrettable that so many years have been spent in studying this matter of so-called tax reform and that the end product has been the bill which we have now before us, with many amendments, which does not result in a reduction or a control of the expansion of the tax load. Certainly, there is a great deal of tinkering and shifting of the tax burden from one group to another, but the net result is not an appreciable decrease in the general tax burden and I maintain that that is a necessary objective for any government in this country, in the federal field at least, and in the provincial field as well so far as that goes. It may be said that this is just one person's opinion stacked against the collective wisdom of the government and all its advisers. I beg to differ, and say that I am not alone in this view. I think that in the United States the situation is roughly the same as here, but it is not so likely that in that country they have already passed the point of diminishing returns so far as tax rates are concerned.

I wish to quote briefly from the text of a speech made by President Nixon on September 9 when, addressing a joint session of the U.S. Congress, he said this:

I ordered a \$4.7 billion cut in federal spending, to allow for tax cuts to create new jobs.

I think that makes sense. I think that is something we Canadians should carefully consider. The President went on to say:

I ask the Congress to consider as its first priority, before all other business, the enactment of three tax proposals that are essential to the new prosperity. These three measures will create 500,000 new jobs in the coming year.

First, I urge the congress to remove the 7 per cent excise tax on automobiles, so that the more than eight million people in this country who will buy new American-built cars in the next year will save an average of \$200 each. This is a sales tax, paid by the consumer. Its removal will stimulate sales, and every 100,000 additional automobiles sold will mean 25,000 additional jobs for America's workers.

I believe that this kind of stimulation of the Canadian economy by the reduction of the tax load is overdue, Mr. Speaker. I would recommend that in the Canadian setting it is most urgent that there be an immediate reduction in