

Oral Questions

Mines and Resources on September 5 of this year that the government's first priority must be to ensure a long term reserve of nuclear fuel for our domestic needs, can the minister tell us what is the position of the federal government in the on-going discussions for the establishment of an enriched uranium project in the James Bay area for export purposes, a project which would utilize 18,000 tons of uranium oxide annually although Canada's production is presently only 5,000 tons and is estimated by the minister to reach only 16,000 tons by 1980?

Hon. Alastair Gillespie (Minister of Industry, Trade and Commerce): The government has taken no decision to issue export permits for enriched uranium.

Miss MacDonald (Kingston and the Islands): May I direct a supplementary question to the Acting Prime Minister? Given that capital expenditures of at least \$100 billion over the next ten years would be necessary to build all the major resource development projects under active consideration by private and government bodies at the present time, will the Acting Prime Minister undertake to make public the report of the task force on capital requirements recently completed by the Department of Energy, Mines and Resources so that the total economic impact of these massive expenditures proposed could be given adequate public scrutiny?

Hon. Mitchell Sharp (Acting Prime Minister): I find myself in general agreement with the hon. lady; it is desirable that the public should know the implications of the enormous developments which will have to take place. I am a little uncertain as to whether that particular report should be revealed; it may contain information of another character which it would not be in the public interest to disclose. However, I will certainly recommend to my colleagues that the kind of information for which she has asked should be made available publicly.

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AIR CANADA**REASON FOR DELAY IN APPROVAL OF CAPITAL BUDGET**

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Transport. Can the minister advise the House why it is that the capital budget of Air Canada for the current year has not so far been approved by cabinet, and when does he expect it will be?

Hon. Jean Marchand (Minister of Transport): I hope it will be approved soon. It is a very pertinent question, no doubt about that. It is because we asked for some information from Air Canada that we did not receive. Now, I think we have convinced the chairman and directors of Air Canada that they will have to supply this information so that we may know where Air Canada is going in the next five years.

[Miss MacDonald (Kingston and the Islands).]

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT AND EXCISE ACT

Hon. John N. Turner (Minister of Finance) moved that Bill C-40, to amend the Excise Tax Act and the Excise Act, be read the second time and referred to committee of the whole.

He said: Mr. Speaker, this bill provides for a number of significant amendments to the Excise Tax Act and the Excise Act. The proposed changes would implement important dimensions of the government's policies to deal with the two major problems confronting most western economies—inflation and slower growth.

The bill before us provides for sales tax reductions amounting to an estimated \$940 million in a full year. These reductions will provide an important stimulus to the housing and general construction industries as well as to the transportation sector of the economy. The effects of these measures, combined with other policies proposed in the budget, will directly benefit consumers through their impact in moderating prices and encouraging the creation of new jobs. In addition, the bill provides for important new taxes on high energy consuming vehicles as well as for moderate increases in the levies on liquor, wine and tobacco products. I will have more to say about these measures during the committee stage. At this time I would like to restrict my comments to the general substance of the bill.

The amendments related to adult clothing and footwear proposed in the measure before us will formalize sales tax reductions for these goods provided under the Financial Administration Act on July 16, 1974. These are important measures affecting over \$5 billion in annual retail sales of clothing and footwear. They will save consumers over \$300 million in taxes over a full year. In the May 6 budget it was emphasized that adult clothing and footwear accounted for a significant proportion of the budgets of most families and that the proposed action would significantly reduce the prices of these products.

The Department of Consumer and Corporate Affairs has been monitoring prices in this area since action was taken to remove the tax on July 16, 1974. The final report of the price-monitoring exercise will be tabled early in the New Year. However, preliminary indications suggest that the reductions are being passed on and have had a significant impact on moderating price increases in this important sector of the economy.

[Translation]

Dealing with the provisions of this bill concerning housing, the tax exemption on building materials and municipal water distribution systems as well as the reduction to 5 per cent of the federal sales tax on a wide variety of equipment and materials used in housing construction should act as an important incentive to housing construction and the building industry as a whole.

In that respect, some questions have been raised concerning the particular impact of government housing policies on housing costs. The government has put forward in the budget speech a number of policies directly relating to