

Income Tax Act

Mr. Speaker: Order, please. Is the hon. member rising on a point of order?

Mr. MacInnis: The Secretary of State for External Affairs—and a check of the “blues” will bear me out—this afternoon in answer to the hon. member for Gander-Twillingate said that later today, or some time during the day, he would be prepared to revert to motions to make such a statement.

Some hon. Members: No, no!

Mr. MacInnis: Tonight the minister is the very person who is refusing—

Mr. Speaker: Order, please. This point has been made on a number of occasions over a period of 30 minutes of the time of the House.

Mr. Paproski: I rise on a question of privilege, Mr. Speaker. I should like to know why the hon. member for Northwest Territories refuses to let me speak about our national game and about entering a team into the 1972 Olympics. This is my question of privilege.

Mr. Forrestall: I want to know, too.

An hon. Member: He is against it.

Mr. Speaker: Order, please. The hon. member for Northwest Territories rises on a question of privilege.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Orange: With the greatest respect, Mr. Speaker, if the hon. member across the way could say something intelligent, I would try—

Mr. Speaker: Order, please. I suggest to hon. members that we are sinking lower and lower. I really do not think we should continue in this vein. Orders of the day.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed from Wednesday, December 1, consideration in committee of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon amendments to that act—Mr. Benson—Mr. Honey in the chair.

The Chairman: It is my understanding that the committee will now resume consideration of sections 21, 35, 46 to 48 inclusive, 59, 64 to 66 inclusive, 87 and 124 dealing with mining and petroleum.

On clause 1—section 21: *Cost of borrowed money.*

Mr. Woolliams: Mr. Chairman, before I speak on the resource industries so far as the tax bill is concerned I have a question for the parliamentary secretary. I know he is as interested as I am in the development of our resource industries, particularly because he comes from

[Mr. Sharp.]

Alberta. Would he take a few moments this evening to compare the depletion changes in the new bill and what they do to the former act having regard to the depletion allowances in the United States?

I ask this question in all seriousness because I have in my hand the reasons for the decision of the National Energy Board. At page 59 appears the information that the reserves of proven resources of natural gas in Canada—and that means western Canada—are 60.3 trillion cubic feet. Ten years ago, when the Borden commission made its report, the proven resources of natural gas were approximately 23 trillion cubic feet.

The demand in Canada is less than the supply asked for by the United States at the present time, which is approximately 2.7 trillion cubic feet. The decision to turn down those licences by the board is such that there is concern about Canada's needs in the domestic and industrial fields for the foreseeable future. They do not think we have enough proven resources. I come back to the question. The National Energy Board seems to have ignored—Mr. Chairman, if the Secretary of State wants to hold a meeting on B and B, why doesn't he go outside the chamber to do it?

Some hon. Members: Hear, hear!

An hon. Member: That's a good idea.

The Chairman: Order, please. I have a great deal of sympathy for the hon. member who has the floor. There is in my opinion, far too much discussion in the committee. If hon. members have other things to do than in the committee, they should do it behind the curtains.

Mr. Woolliams: This bill is so complex that nobody understands it. I am about to put a few questions to the parliamentary secretary to find out what the bill is really about—but these ministers brought in closure this afternoon and all they do is hold council meetings about their own matters.

I will come back to the subject matter. In light of the fact that the National Energy Board did not appear to take into consideration the reserves that will be determined by future exploration, and that it has been suggested by the resource industry that the bill seems to be killing exploration and that two-thirds of the industry and operators in Alberta are now idle because of the decision of the National Energy Board, let me ask the parliamentary secretary to summarize the new depletion allowance provisions in the tax bill. Will he compare them with the previous provisions and tell us what difference they will make to the industry, and compare them with depletion allowances in effect in the United States?

• (9:10 p.m.)

Mr. Mahoney: Mr. Chairman, I will be delighted to comply with the hon. member's request in all respects except one. I am not prepared, without notice, to compare the system in Canada with that existing in the United States. This is Canadian tax law and I am not entirely clear as to the relevance that United States tax law would have in this kind of situation. I will certainly get the information for the hon. member, if he thinks that is desirable. I do not have it in front of me.