

*Income Tax*

**Mr. Horner:** Naturally the government has to act in defence of that.

**Mr. Blackburn:** Mr. Speaker, I rise on a point of order. The hon. minister has made a sweeping generalization. If I heard him correctly, he said that there are members on this side of the House who are making money on the falling Canadian dollar.

**Mr. Clarke:** That is what he said.

**Mr. Blackburn:** Unless he names those hon. members, of whom I am not one, then he is impugning my privilege and honesty in this House. I think the hon. minister should either retract that statement or name the hon. members to whom he is referring.

**Mr. Horner:** Mr. Speaker, I will do neither because that is not impugning. Everyone in this House can rise and speak on this debate.

**Mr. Blackburn:** I have.

**Mr. Horner:** Good. Everyone can rise and say that they are not buying any American dollars. That is fine with me.

**Some hon. Members:** Hear, hear!

**Mr. Horner:** But many financiers are, and some of the hon. members on that side of the House are.

**An hon. Member:** How many on the government side are?

**Mr. Paproski:** Name them.

**Mr. Horner:** I do not have to.

**An hon. Member:** How long will you be in your seat?

**Mr. Horner:** I should like to make a correction in regard to something said by the hon. member for Grenville-Carleton. It is not only the hon. Leader of the New Democratic Party (Mr. Broadbent) who is purporting to use figures accurately. As reported at page 721 of *Hansard* of November 8, 1977, the hon. member for Grenville-Carleton said the following:

In the United States there is less unemployment, less inflation, and twice the real growth rate of Canada. There is a trade surplus on current account in the United States compared to a trade deficit on current account in Canada.

I am sure hon. members from this side of the House cannot run after Conservative members all the time in order to correct what they have said. In reading over the debate, I felt I should make that correction.

We have a commodity trade surplus in Canada in 1977, which will be in the neighbourhood of \$2.6 billion.

**Mr. Kempling:** You said "current account".

**Mr. Horner:** Yes. We have a current account deficit of between \$4 billion and \$5 billion.

**Mr. Kempling:** It is \$6 billion.

**Mr. Horner:** I should like to give the hon. member the facts about the American current account deficit. In 1976 they had a \$14 billion current account deficit. In the first half of this year they had an \$8 billion current account deficit. That is current account. Their commodity trade account is much worse than that. They do have some money coming in from various countries in the world.

● (1642)

**Mr. Orlikow:** Some?

**Mr. Horner:** Some, yes.

**Mr. Orlikow:** A great deal.

**Mr. Horner:** A great deal; well, I am not going to get into the relativity of a great deal and some. It is true that they have more than Canada has, but they have a great deal worse commodity trade than we have. We have a trade surplus. They have minus something in the neighbourhood of over \$20 billion for the full year of 1976, and their current account deficit, including revenue coming in from servicing of loans abroad, is over \$8 billion for this year alone. Where the hon. member for Grenville-Carleton got his figures or that idea in his head is beyond my imagination.

The hon. member for Provencher wanted to hold out a little bit of hope after squandering all his with his party. Let me hold out a little hope.

**Mr. Epp:** You squandered it for me.

**Mr. Horner:** We are major exporters of energy. We have a great capability of becoming energy self-sufficient.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** We are net importers of energy.

**Mr. Horner:** That is what we are now. I said we have a great capability of becoming energy sufficient. I am glad I cleared that up in the hon. member's mind. We have a far greater capability of becoming self-sufficient in energy than the United States has. That should give any Canadian a great deal of hope and confidence. We are slow in developing some of our coal mines. That is one aspect which could be improved.

**Mr. Blackburn:** Especially in Cape Breton.

**Mr. Horner:** Especially in Cape Breton because of the costs, and I think I should say perhaps because of the "inappreciability" of the Cape Bretoner for the retention of his job. That is a serious accusation.

**Mr. Blackburn:** What's that?

**Mr. Horner:** Read it in *Hansard*.

The coal mining industry has suffered severely in Cape Breton. It has not suffered quite as badly as the fluorospar industry in the southern part of Newfoundland. However, we can expand our coal markets considerably.