

Income Tax

Hon. Donald S. Macdonald (Minister of Energy, Mines and Resources): Mr. Speaker, we have completed an assessment at least of the research work that has been done at the federal level with regard to alternative sources of energy. I hope at an appropriate time to be able to announce the details of that. Basically, going back to the energy policy phase one statement, the indication from that analysis is—all present major sources of energy are either potentially or actually in plentiful supply in this country. What is involved in planning programs and transportation is to make certain they will be available for Canadians in the future.

Mr. Oberle: Will the minister advise whether the officials are aware that 40 per cent of the fossil reserve in Canada is in the form of coal and even with present prices, coal conversion is attractive. The technology is available. Will the minister advise whether his officials are pursuing that aspect?

Mr. Macdonald (Rosedale): Mr. Speaker, coal gasification in particular is something that has been studied within the government of Canada.

Mr. Speaker: The Minister of State (Fisheries) indicated to me that before the end of the question period he wants to qualify an answer he gave to the hon. member for Humber-St. George's-St. Barbe. One word may have been missing from the answer.

Mr. LeBlanc (Westmorland-Kent): Mr. Speaker, in answering a very important question about assistance to the groundfish industry, I may have left out a very important part. I may have left the impression that the inshore fisheries for groundfish were not included. They are included in this program.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

[English]

INCOME TAX ACT

The House resumed, from Thursday, February 6, consideration of the motion of Mr. Turner (Ottawa-Carleton) that Bill C-49, to amend the statute law relating to income tax, be read the second time and referred to committee of the whole, and the amendment thereto of Mr. Lawrence (p. 2977).

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, I wish to add a few words to what I have already said with regard to Bill C-49, with particular reference to the reasoned amendment now before the House which was put by my colleague the hon. member for Northumberland-Durham (Mr. Lawrence). This amendment highlights one of the most important positions that the official opposition is taking concerning the budgetary measures proposed by the Minister of Finance (Mr. Turner). We believe that the

[Mr. Oberle.]

people of Canada are entitled to a further tax reduction of 5 per cent.

Some hon. Members: Hear, hear!

Mr. Stevens: Such a tax reduction would put some \$500 million back into the hands of the taxpayers. We suggest it would be more prudently spent by the taxpayers than by this government. Such a tax reduction would mean \$60 to \$150 for most taxpayers in this country. That is why we stress the importance of amending Bill C-49 in the fashion we have indicated. We believe it is time the government reduced the onerous burden of taxation that it has placed on Canadians. Look at the facts. In two years, from fiscal year 1974 to fiscal year 1976 as forecast, the Minister of Finance is proposing that personal income tax revenues in this country shall jump from \$11 billion to \$15.9 billion on a national accounts basis. That is an increase of \$4.9 billion, or 44 per cent, in only a two-year period. It is fortunate that my colleague's amendment will allow every member of this House to stand up and be counted.

● (1500)

Are hon. members in favour of continuing expansion of government expenditure, or are they in favour of realistically containing government spending? I recommend especially to Liberal supporters that they read our amendment before they blindly vote today or tomorrow, or whenever the vote comes. Let them read it. Are they for cutting back the tax load which is being imposed by the Minister of Finance on the taxpayers of Canada? Are they in favour of restraining government expenditure, or not? We shall find out perhaps for the first time in this House.

If hon. members opposite take the time to read the May budget and the November budget, if they read the reviews put out by the C. D. Howe Research Institute and by the Conference Board, they will vote for our amendment now before the House.

It will be an interesting vote to watch. Who will win? The Minister of Finance has given people to understand that he is for restraint. He says he is trying to cut back government spending but that he is out-voted by his big-spending colleagues in cabinet. Who will win? Will it be the Minister of Finance? If he were sincere he would offer to amend Bill C-49 before we get to a vote, in order to facilitate these tax reductions.

Some hon. Members: Hear, hear!

Mr. Stevens: Will the Minister of Finance win, or will it be his big-spending colleagues who want tax revenues to continue to gush into the treasury so they can spend still more? The other interesting thing will be to find out who is really in charge of finance in Canada at the present time. Is it really the Minister of Finance, or is it this mysterious group of seven? If it is the group of seven, we are engaging in a debate in the absence of the true financial leader. Where is the Prime Minister (Mr. Trudeau)? He, together with the other six, is apparently calling the shots with regard to financial matters.

Our suggestion of an income tax reduction is a responsible one. It is justified in present conditions. I have already stated during second reading discussion of Bill