

consumers far more for gasoline today than the product is really worth.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): The Hon. Member asks me if I will look into the question. I will certainly look into the question.

DETERMINATION OF PRICE AT RETAIL LEVEL

Mr. Bill Domm (Peterborough): Mr. Speaker, while the Minister is doing that, would he also look into the fact that Petro-Canada, in the riding of Peterborough, and I am sure in other ridings across Canada, will not give franchises to sell Petro-Canada gasoline unless a dealer agrees to buy only from Petro-Canada? In that way Petro-Canada consigns the product, and fixes the price not only at the wholesale level but at the retail level under the contracts signed by those dealers which our Crown corporation has taken over.

Mr. McKenzie: Just like the Russians.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, in principle Petro-Canada is operating in the marketplace like any other corporation. It signs contracts according to the practice of the trade and it tries to be a fair competitor in the marketplace. That is its mandate. The Hon. Member refers to some specific problem. If there is price fixing and so on, there are laws in Canada which apply to this company like any other company. They cannot have a coalition of companies to fix prices. If there is a specific accusation of price fixing there is a Ministry which is always looking into these operations. The company has to abide by the laws like anyone else.

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● (1450)

INCOME TAX

EXEMPTIONS INQUIRY

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Finance. It is very simple, very easy, and only requires a yes or no answer. I would like him to listen very carefully so that we on this side can hear him say yes or no. Did the Minister know it is possible to have an income of \$40,088 and pay no income tax? Yes or no?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, obviously it depends on the situation. It is possible, as it is possible to have an income of \$10,000 or \$100,000 and pay no income tax. It depends how you run your affairs in terms of the income laws of the country. If you had losses last year of \$50,000, which you can claim against your income, you will not pay taxes. If you have accumulated tax credits by way of investments you have made, such as research and development credits, you can claim them against your income. This is all spelled out in the income tax laws of the country. The laws

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operate this way not only in our country but in every democratic industrialized country I know.

Sometimes you can have large losses which you cannot claim in one year but may claim the following year or two years after they have been incurred. This Parliament has passed a law according to which you can claim losses accumulated three years in the past against your current income. You may look at a particular year and say that this individual or company is not paying taxes and that that is terrible because it has \$50,000, \$100,000, or \$200,000 profit. It is forgotten that they have \$500,000, \$600,000 or maybe \$1,000,000 of losses which may be claimed against such profits. That is the way the system operates.

Mr. McDermid: Is that yes or no?

Mr. Fulton: Mr. Speaker, I am not sure what the Minister has taken to smoking. I think it is some kind of funny weed that grows south of the border.

REQUEST FOR INSTITUTION OF MINIMUM INCOME TAX LEVEL

Mr. Jim Fulton (Skeena): Mr. Speaker, I was quoting that question from Wood-Gundy. They circulated that this week to taxpayers who make lots of money. I would encourage taxpayers across the country who are filling in their income tax forms now, to write the Minister's answer on their tax forms and send it to the Minister of National Revenue.

Mr. Speaker: Will the Member please ask his question?

Mr. Fulton: Mr. Speaker, in the United States where Reaganomics is operating, regardless of what income level people are at they still have to pay a minimum level of income tax. Is the Minister prepared to tell Canadians today that, regardless of what income level they are at, and regardless of all that text tax credit gobbledegook and falderal, everyone in the country, corporations included, is going to start paying a fair minimum share of tax in this country?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I cannot believe my hon. friend wants us to restore to the American taxation system which has a lot more loopholes in favour of corporations than we have in Canada. The same is true as far as individuals are concerned. I am certainly not going to follow the American system, thank you very much.

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ROYAL CANADIAN MOUNTED POLICE

PURCHASE OF LIMOUSINE FOR TRANSPORTING PRIME MINISTER

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the Minister of Supply and Services, but in his absence I will direct it to the Solicitor General as it does deal with his responsibilities relating to the RCMP. Will the Minister indicate whether the cost of the new Cadillac limousine recently