

uncertainty across the country with the position they are taking.

● (1550)

[Translation]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, before Bill C-192 is referred to the standing committee, I wish to draw the attention of the House, and thus of the members of the said committee, to certain aspects which leave the public wondering.

After a 13 month wait since it was first introduced in May 1972, at a time when the government had an absolute majority, this bill has now reached second reading, in slightly amended form but, basically, it is still the same.

The government, of course, is much less arrogant this time, since, as the minister himself stated, and I quote:

No tax measure can be considered to be enacted for all time, . . .

Since we have a minority government it has to make use of formulas that are much more popular and less dictatorial.

The purpose of the bill, therefore, is an additional 9 per cent tax reduction for the manufacturing and processing industries, which make profits of up to \$100 million, and a reduction of five per cent to the small enterprises which have maximum profits of \$50,000.

If we figure out these reductions we see that our small Canadian corporations will get a maximum reduction of \$2,500, while the large multinational corporations, which are not necessarily Canadian, may be able to take advantage of a tax reduction that may be as high as \$10 million a year.

Is that clear enough for everyone to understand? It is vital for the big financiers to have good friends, I was about to say good and faithful servants, in Parliament.

The purpose of the bill, according to the minister, is to make our large industries competitive on the international market and to protect the millions of jobs which now depend directly or indirectly on these companies.

As far as the creation of jobs is concerned, we agree, Mr. Speaker. However, we are sure that if no amendment is made to that bill, the Minister of Finance (Mr. Turner) will not attain his objective, since evidence shows today that all subsidies and tax reductions granted to large companies have never created a single job. On the contrary, the companies have never created a single job. On the contrary, the companies have used them to modernize their plants and reduce their staff.

Indeed, statistics indicate that large corporations offer fewer new jobs in Canada. Small secondary industries and service industries are better creators of jobs.

Finally, it is at the service level that we find the greater number of new jobs. We are therefore right in saying that the minister is deceiving the people when he refers to things which will be impossible to carry out under that bill.

The minister intends to make Canadian companies more competitive in world markets. We agree with the minister that help should be given not only to manufacturing and

Income Tax Act

processing industries but also to our agricultural, fishing, forest, building, mining and other industries.

To my mind, this bill is so restrictive as to be discriminatory towards all the other sectors of our economy I have always maintained that the main quality of a national act is its universality; as soon as it becomes restrictive, it is automatically discriminatory towards the population as a whole.

Bill C-192 provides for a reduction to 40 per cent, starting at the beginning of 1973, of the tax rate levied on the profits of manufacturing and processing industries, and a reduction to 20 per cent of the rate imposed on Canadian manufacturing and processing industries.

This is, Mr. Speaker, another discriminatory treatment. After dealing a back-handed blow to the other sectors of the economy, we favour even more the multinational corporations under foreign control to the extent of 60 per cent.

We should grant tax cuts to Canadian owned companies and a 9 per cent tax reduction on profits of all Canadian firms, whether they are small or large.

Why, I ask, make this distinction between the first group of companies and the second one that the minister defines as small Canadian businesses to which he allows only a tax cut of 5 per cent instead of 9 per cent?

Yet the minister knows very well that those small Canadian corporations are the ones most in need of tax reduction and help. Of course they are not as profitable as the big ones when it comes to electoral contributions because they cannot put as much in the fund; but they are more profitable for the population as they offer more employment.

Why not give a 9 per cent tax cut to the farmers since, of all industries, it is still agriculture that is offering most jobs? Yet, the minister knows better than anybody else about the financial difficulties agriculture is facing.

Far from granting them tax reduction as will be done thanks to Bill C-192, everything is to be done to overtax them and it is the same for all our small Canadian industries.

Indeed, Mr. Speaker, as soon as a Canadian society, a group of individuals or a citizen makes an effort to spend time and risk money to try improving economic conditions of Canadians, the governments, in turn, try to counter these efforts by taxes of all sorts. And we are astonished when we see the tremendous amount of bankruptcies in tertiary and secondary industries.

Even in the business sector nowadays, as soon as our small businessmen seem to succeed, the federal and provincial tax inspectors get in just like vultures.

Of course, all these small industrialists and businessmen do not have millions of dollars to pay for expert accountants like the big corporations do.

The result is that the poor man is taken to court surrounded by all the provincial and federal collectors. Having no more financial resources nor physical strength, he suffers a break-down and gives up.

That is, Mr. Speaker, the real picture of support given to Canadians who dare going into business. Meanwhile, our governments are looking for new formulas to give more to