

The Budget—Resolutions

to encourage the employment and training of those over 45 who have not had jobs for some time.

I have no doubt that this manifold attack on the unemployment problem will be effective. As I said before, our economy is expanding and this expansion should continue into next year. The prospects look good for a substantial increase in business investment. This is due in part, as I have said, to an increase in confidence as a result of the election and to the prospect of decisive and far sighted government in Canada once again.

In conclusion may I say that I have not tried to minimize or conceal the various problems we are faced with. But in discussing them, I have been conscious of the strength of our country and of its great potential for the future. I have discussed our problems knowing that if we are to surmount them we must face them, and face them with boldness and resolution.

Our financial program has not been conceived in complacency. In bringing forward our financial proposals we have looked squarely at the realities before us. We have presented a fiscally responsible program designed to reduce unemployment and regain prosperity.

In the recent election campaign my colleagues and I undertook to give the public the facts. We said, and the Prime Minister in particular said repeatedly, that when we were faced with difficult and unpleasant decisions we would not be afraid to make them. Some of those decisions have been announced tonight. They have been made in confidence that the members of this house will support them. They have been made in confidence that the people of Canada will support them. And they have been made in confidence that all of us together, by facing the future with resolution and courage, can restore prosperity and security to ourselves, our children and our country.

I shall now table, Mr. Speaker, all the budget resolutions to which I have referred together with certain other proposals not mentioned specifically in this speech.

RESOLUTIONS

INCOME TAX ACT

Resolved that it is expedient to introduce a measure to amend the Income Tax Act and to provide among other things:

1. That with respect to new depreciable property of a prescribed class acquired in the period of 24 months commencing June 14, 1963 capital cost allowances be computed on a straight line basis at a prescribed rate not exceeding 50 per cent per annum if the property has been acquired by a taxpayer in

a taxation year for a manufacturing or processing business in Canada and the said taxpayer is

(a) an individual who was resident in Canada during a period of not less than 183 days in the year, or

(b) a corporation that on the last day of the year was a corporation with a degree of Canadian ownership and control and for the purposes of this paragraph;

(c) a corporation has a degree of Canadian ownership and control at a particular time if the corporation throughout the 60 day period immediately preceding that time complied with the following conditions:

(i) the corporation was resident in Canada,

(ii) not less than 25 per cent of its voting shares were beneficially owned by one or more individuals resident in Canada, one or more corporations controlled in Canada or a combination thereof, and

(iii) unless at least 51 per cent of its voting shares were beneficially owned by one or more individuals resident in Canada, one or more corporations controlled in Canada or a combination thereof, the number of directors of the corporation who were resident in Canada and not employed by the corporation otherwise than as directors, was not less than that proportion of the total number of directors on the board of the corporation that the aggregate number of voting shares of the corporation beneficially owned by individuals resident in Canada and corporations controlled in Canada is of the aggregate number of outstanding voting shares of the corporation; and

(d) a corporation is controlled in Canada at a particular time if at that time it complies with the following conditions:

(i) the corporation is resident in Canada, and

(ii) not less than 51 per cent of its voting shares are beneficially owned by one or more individuals resident in Canada, one or more corporations controlled in Canada or a combination thereof.

2. That a taxpayer whose business in a prescribed area of Canada has been certified to be a new manufacturing or processing business that commenced commercial operations in the period of 24 months commencing with the date on which any enactment based on this paragraph is assented to be exempt from tax on the income from that business for a period of 36 months from the date certified to be the date of commencement of operations, and that the rate of capital cost allowances for new depreciable property of a prescribed class acquired by the said taxpayer in the said 24 months period for such business