

## Income Tax Act

Mr. Speaker, I should like to deal with those contradictions at the outset of my remarks and, in order to do so, I refer to *Hansard* for October 16, 1963. When he introduced this bill, the Minister of Finance (Mr. Gordon), said, as reported on page 3639 of *Hansard*:

If we do not do this, Canadians may well wake up some day and perhaps sooner than they think, and find that they have lost control not only of their economic destiny but of their political destiny as well.

On the other hand, the minister delivered a speech before the international monetary fund, on October 1, 1963. Here is the report of that speech as published by *La Presse*:

No economic nationalism—Gordon  
The minister told reporters that he was concerned when responsible American officials or reporters considered as a policy of economic nationalism the steps taken by Canada to reduce its heavy international payments deficit.

The mere fact that foreigners thought that we were considering a monetary policy of economic nationalism worried the minister.

At the resolution stage, he stated that the purpose of this legislation is to save Canada from its present position or, at least, to recuperate part of the ownership in our own enterprises. What a contradiction. It is not surprising though since the minister is not concerned with contradictions. In fact he abolished the 30 per cent tax on investments or on the sale of shares of Canadian companies to foreigners. In addition, he was forced to amend the sales tax on building materials in such a way that it is now set at 4 per cent, to be raised later on to 7 per cent and still further increased, in the end, to 11 per cent.

These are wrong remedies, ill-conceived measures to use against the problems facing Canada at the present time.

Let's face facts. The province of Quebec has been placed in a tragic position, as a result of the measures announced by the government. Actually, last month, when the government listed the designated depressed areas, we found that, out of the 35 areas so designated, 13 were in the province of Quebec.

Moreover, when, on October 14, 1963, the second list was tabled in the house, we found that, out of the 31 new designated areas, 15 were in the province of Quebec, so that now Quebec has 28 depressed areas out of a grand total of 66.

We appreciate the fact that some people believe that the statements of the Minister of Finance on the amendment to the Income Tax Act may encourage new investments to promote, in these depressed areas, the establishment of plants for the processing and manufacturing of our raw materials. I wonder, however, if here again, we are not given ill-conceived measures and wrong remedies.

If we want any more contradictions, we have a monopoly in the province of Quebec, as I just stated, with regard to the depressed areas.

We also heard many a time during a certain election, two or three years ago, in 1960, that the unemployment problem in this country, and more particularly in the province of Quebec, was primarily a matter for the provinces and, second, that it was dependent on a real, honest and sincere co-operation with the federal authorities. At that time there were nearly 200,000 unemployed in the province of Quebec alone. Today, we still hold that record, as shown by the following item which appeared in *La Presse* of Thursday, September 19, 1963:

The greatest number of unemployed was again found in Quebec. There were 108,000 of them, representing 5.5 per cent (against 5.7 per cent in July). In absolute numbers as well as in percentage, the decrease has been much stronger in the provinces to the west of Quebec: Ontario had 72,000 unemployed, or 2.8 per cent of the wage earners (against 3.2 in July); the prairie provinces had 23,000, or 1.9 (against 2.4), and British Columbia 32,000, or 5.0 per cent (against 5.5).

Now, when we rise here, in this corner of the house, to demand a real solution for this problem, when considering this legislation to modify the Income Tax Act in order to promote capital investments, we want to suggest other remedies than a dialogue between taxers, and to make suggestions which should be taken into consideration if there is a real wish to find a solution for the economic problem of Canada which has become a menace, considering the critical condition in which the province of Quebec finds itself as, not having been given its due share in Canadian economy, it is unable to settle its unemployment problem.

When speaking of wrong remedies, I may say that they have been tried in our province. We had the winter works program. There again, we were supposed to have found a solution. But look at the results today.

We tried, for a certain time, I think, to allow deductions only to corporations, which was again a wrong cure.

Considering that, with a budget of \$6 billion which we have in this Canadian parliament, corporations are taxed at 20 per cent, whereas the salaried people, the small wage earners and those who have a medium income—if we wish to include them—have to pay 30 per cent of the total intake of the federal government, I may say that there is hardly any reason to rejoice.

The minister is considering tax exemptions for present and future industries in order to boost the economy not only of the depressed areas but of the whole country. He must tap other sources to solve that problem in Canada.