

Income Tax Act

[Text]

The Deputy Chairman: There has been some general agreement that on this first clause hon. members will not be limited too strictly, but I think it might be worth while if we were to stick as closely as possible to the measure under discussion.

[Translation]

Mr. Dionne: Of course, I would have much to say on this matter which I did not have the opportunity to discuss during the budget speech debate. Because of the many objections which could be raised, I will restrict my remarks to the matter under study.

I realize that we are now considering various steps to relieve unemployment. Following various investigations, some areas have been designated as depressed areas. I find quite ridiculous that after three centuries, during which our people have worked and toiled on Canadian soil, certain areas in the province of Quebec and throughout Canada have to apply to the minister and state all kinds of reasons in order to be recognized as depressed areas and obtain some assistance from the government to get out of an unbearable situation created by a rather senseless system.

I know that few people understand this bill. It is too complicated; it is like a maze designed to confuse the people of Canada.

The granting of tax exemptions to companies which have 25 per cent Canadian ownership will not bring about new industries unless the latter have guarantees that they will be able to sell their products. Otherwise, how could an industry be interested in establishing itself in a given area? However, before there is any question of selling products, one must determine whether purchasing power is high enough in Canada.

Some will say that this is irrelevant but I can connect my remarks to the debate. For instance, the people in the lumber industry are being forgotten. On the other hand, when he goes to work in the United States—if I may be allowed to bring this up in the house—in order to earn some \$1,500 and then comes back to Canada to get enough unemployment insurance stamps to live on during the off season, he is required to pay income tax on what he earned across the border. For instance, suppose he earns \$1,500 in the United States and \$1,000 in Canada, he only gets a \$2,000 exemption and pays taxes on \$500. He is no longer forgotten when the time comes to collect taxes. Let us see to it that the act is amended so that workers can live a decent life when they are going through hard times.

To restore economic stability in Canada, it will not be enough to reform our tax struc-

tures, our industrial structures or what have you.

A reform of morals and institutions is certainly needed, but all those reforms will remain useless and ineffective as long as a real monetary reform is not effected.

The financial system involves taxation which annoys everybody, whereas a monetary reform would result in the distribution of a national dividend based on the difference between total production and total purchasing power. If you look into the possibilities you will see that it is just plain common sense.

Manufactured products would be more easily and entirely disposed of, so that industries would be more interested in developing the country. It would not be necessary to discuss for weeks to try and take a little money from this one to give a little more to that one, that is, the system of robbing Peter to pay Paul. This is a topsy-turvy system.

We are attempting, with great difficulty, to overcome a disastrous economic situation which is leading us to ruin.

That is why we are unable to solve the unemployment problem which has been with us for too long.

[Text]

Mr. Horner (Acadia): Mr. Chairman, I rise to take part in what has been so far a very interesting debate on Bill No. C-95. This measure has been the subject of continual controversy which dates back to the budget. I was interested in hearing the hon. member for Renfrew South refer to the budget at the opening of his speech as one of the great documents that will go down in history. It will never be forgotten, Mr. Chairman. It was the most irresponsible, ridiculous budget that has ever been introduced into the parliament of Canada or perhaps ever will be introduced into the parliament of Canada. Certainly it was ill conceived and certain portions of it were hastily withdrawn.

However, this one provision dealing with foreign investment we see again in Bill No. C-95. Today we are facing a problem in Canada in trying to get Canadian development by Canadians. We see the provision in Bill No. C-95 which is designed to encourage development in specific areas, depressed areas as they are called, across the country. On the other hand, we see a provision in Bill No. C-95 which is designed, to some extent, to discourage foreign investment in our country. We certainly have conflicting purposes here. On the one hand, we are trying to encourage development and on the other hand we are trying to limit investment in the developing industries of this country. Some experts may have suggested to the minister that the government should interfere more with invest-