

*Income Tax Act*

in such circumstances would be an anti-climax. The only effect the production of these documents could possibly have at this time would be to stir up a situation which this government at this moment has been able to pacify. The situation on the great lakes at this moment is quiet and I say there is far too much at stake for us to do anything that might jeopardize the wheat deal. I think we are living next door to one of the finest neighbours that any country could wish to have and I am certain that were we living north of the Soviet union instead of north of the United States many people would not dare to say about the Soviet union the things they say against the United States and its people. I believe it is in the best interests of the economy of this country, and especially in connection with the employment situation in this country, that we should do nothing at this time to imperil the thousands of jobs which will be created as a result of the wheat deal.

**Some hon. Members:** Question.

**Mr. Klein:** May I call it six o'clock, Mr. Speaker?

**Some hon. Members:** No.

**Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice):** I should like to deal with this question on the basis of the so-called precedents cited by the hon. member who has lately resumed his place, and also on the basis of principle. However, I note that it is now six o'clock.

**Mr. Deputy Speaker:** It being six o'clock, the hour devoted to consideration of private members' business has expired and the house will revert to the business which was interrupted at five o'clock.

**INCOME TAX ACT**

The house resumed consideration in committee of Bill No. C-95, to amend the Income Tax Act—Mr. Gordon—Mr. Batten in the chair.

**The Deputy Chairman:** It being six o'clock, I do now leave the chair.

At six o'clock the committee took recess.

**AFTER RECESS**

The committee resumed at 7 p.m.

[*Translation*]

**Mr. Frenette:** Mr. Chairman, at five o'clock this afternoon, I was concluding my remarks by quoting the words of a businessman who

was wondering about the economic prospects of our country, considering the ever-increasing tax burden.

With your permission, I shall quote another distinguished businessman, namely Mr. Graham Towers, who said at the annual assembly of Canada Life Insurance Company among other things:

I repeat without hesitation the opinion I already expressed at our last annual assembly: the expenses at all levels of government and the taxes which they bring forth are so high that they are apt to slow down economy, increase costs and the trend towards import, and tend to increase the problem of our international balance.

The United States government, acting on the advice of numerous economists, is contemplating a tax reduction. And yet, its expenses account for only 29 per cent of the gross national product, while in our country it is 33 per cent.

At any rate, the problem is becoming increasingly acute. In fact, it is time to turn aside from the beaten track to give a fair try to new economic and financial doctrines.

Our group advocates something entirely new in this field. We do not claim to possess a monopoly on truth, but we sincerely believe that the steps we suggest should be taken as the situation makes it possible.

New capital, coming from the Bank of Canada, could be put to work a little at a time, for instance in the municipal loan fund, and it would mean new blood for our very ill economic body.

We are convinced that the beneficial results of those measures would prove us right and would open the way to splendid achievements for a stronger Canada, economically as well as socially.

[*Text*]

**Mr. Horner (Jasper-Edson):** I should like to make a few brief comments with regard to Bill No. C-95, and particularly that section of it relating to the incentive to industry. I think it should be made clear, and I do not believe it has as yet, that there is a large segment of the country for which this provision in the bill will provide no help at all, but that area will be expected to pay for it. I am talking about western Canada. I think it needs to be put on the record that we do not object to this. However, on occasion we have heard some objection in this house when legislation has been passed that benefited only western Canada. I think it should be noted that we in western Canada are going to pay in several different ways for the provision now before us. Since this is the case, I feel we have a right to comment upon whether or not this is the best way to do it. I do not think it is. I do not