

public accounts of Canada and know where our accounts go, not only in terms of direct spending but also in terms of massive indirect spending which takes place through our tax system.

The Minister of Finance has promised us that in his next budget there will be a statement relating to the new concept of tax expenditures. It is not a new concept in the world, but it is new in Canada.

I want to close my participation in this debate, which I have enjoyed and from which I have learned a lot, with a plea to the parliamentary secretary that he come around personally to seeing the importance of the concept of tax expenditures and that the tax expenditures which are brought before Parliament reflect as broad and as generous a definition of that concept as possible. He may remember that I asked him during this debate whether it would include capital cost depreciation which, as he knows, is done at a statutory rate, which can be faster or slower depending on the decisions of Parliament, and that has nothing to do with real depreciation in an economic or accounting sense of any particular piece of capital property. Unless we have capital cost allowances as part of the tax expenditure concept, we will not get a handle on how much money we are giving away to large corporations in terms of fast write-offs.

Obviously there are a number of other areas where we are going to want change, not only those sections of the Income Tax Act to which we have referred in this debate, such as section 66, the section dealing with MURBs, but all those features of the act which grant a substantial benefit to Canadians in a form of forgiveness tax.

• (1550)

It is extremely important Parliament recognizes that this whole question of the deficit, with respect to hon. members on the other side, has been abused by them and their party. They have been ready and prepared to talk about the sins of public expenditure and direct government spending. They are prepared to hit away at the programs which are defended, as best he can, by the Minister of National Health and Welfare (Mr. Crombie), and the programs of foreign aid which are defended in the House by the Secretary of State for External Affairs (Miss MacDonald). These are visible forms of spending. Everyone can see if we give millions of dollars to Ghana or the Caribbean and it does not work out. This is something for everyone to see. If we send tractors to a country which does not need them, we all see it.

I suggest hon. members on the other side should look carefully at the inefficiency of tax expenditure. We give write-offs to companies over which we have no ability to control whether they spend it or whether the purposes for which they spend it are efficient. Of course they have to make the research and development or investment expenditures in order to get the credit. But we do not ask ourselves whether all that money being spent is well spent. We do not have public inquiries to find out whether there was an attempt to carry out

a foolish economic plan in the Gaspé or somewhere else. We do not have the means to do that.

If my colleagues in the Conservative party are truly interested in the problem of the deficit, getting a hold on the public purse and the concept of public accounting, they will have to look not only at whether direct expenditures have been mispent—and of course there are examples where they have been—they will have to look at the indirect expenditures which are going on as well. I know it is not as popular. I know the only form of tax expenditure which springs to the lips of the President of the Treasury Board is the child tax credit. But we have had bank tax credits in the past year. I do not hear any complaints from the other side about bank tax credits. We gave Anne Murray's bank over \$1 million in the second quarter of 1979. I did not hear any complaints about that in the House of Commons. These are the concepts of public spending and waste and private spending and waste subsidized by the public which are just as worthy of our concern. Certainly they are just as worthy of our scrutiny and questioning as any of the measures which apparently have been criticized in the last couple of weeks. We understand that the Tory caucus is demanding a significant cutback in foreign aid, as if it was really a major case of public expenditure, as opposed to many other examples on which we could focus.

To complete my remarks, we reject the concept that there should be a special rate of taxation, a favourable rate of taxation for lawyers, doctors, accountants and those people clever enough to avoid the normal rate of taxation for employees or self-employed persons. At least we have not abandoned the cause of tax reform. We feel extremely strongly about that. We reject the continued use of the tax system to finance our large oil companies in their exploitation of our resources. We reject our financing of foreign takeovers of the resources of Canada. That is precisely what is happening. Also we reject the new Conservative attack on public expenditure, and its failure and refusal to attack the wastes of private expenditure. These are the things we reject.

What are the things of which we are in favour? We are in favour of a tax system that is seen to be fair, that collects revenue equally from all Canadians, that treats tax dollars equally although it taxes progressively. It is a very basic principle. It is not original to this party. Yet it is a principle, like many principles and objectives, which we never manage to achieve. We made an effort to achieve it under the Carter commission but we did not manage to achieve it. Also we want to see a significant return of power to this Parliament and its ability to scrutinize not only direct expenditure but public expenditure as well. We will continue to push for the President of the Treasury Board and the Minister of Finance to produce a full accounting such as they have promised to do in the next budget.

Finally, we are in favour of a policy which provides some hope, some planning, some clear direction for Canadians, and does not rely on the multinational corporate sector of our economy to be the springboard to an industrial strategy. Let me suggest to members on the opposite side, who I know are