

*The Address—Mr. Frenette*

Like those who spoke before me, I wish to offer congratulations to the mover and seconder of the address, who fulfilled their task eloquently and brilliantly.

Mr. Speaker, if I may, I should like to avail myself of the fact that the debate on the address in reply to the speech from the throne is of a general character, in the sense that every member may follow his own inspiration, to place before the house a brief which was handed to me by the chamber of commerce in my constituency and to explain the contents thereof.

I wish to say to the Canadian government, on behalf of those who have delegated to me the authority I hold at the present time, that the representatives of the chamber of commerce pointed out to me, when submitting this brief, that they did not at all claim to cover the needs of the whole population in the constituency, but simply what, in their view, was the most urgent.

As I said, this opportunity seems appropriate to speak on behalf of this group of businessmen and ask the government to apply concrete and immediate measures with a view to an early implementation of the recommendations set forth in this brief.

The first article of this brief deals with the income tax basis, and here is the text of the first solution referred to.

Our chamber is of the opinion that a revision of the income tax basis is necessary in Canada and that such revision should comprise an examination of the federal and provincial taxation fields, and also of the financing problems of cities, municipalities and school boards in Canada. In this respect, the chamber believes one of the most urgent needs at the present time, for the provinces and especially for the province of Quebec, is the funds necessary to provide for essential needs.

In fact, Mr. Speaker, I do not think that it is necessary to stress any further this imperative need for a revision of our taxation system, by giving back as soon as possible to the provinces the powers allotted to them by the British North America Act.

The most pressing needs are being felt at the municipal and school levels. These bodies cannot meet the present needs because, over-taxed as they are by the provincial governments, they dare not tax their citizens any further.

I refuse to believe that there is unfairness on the part of the provincial authorities, and I readily understand their difficult situation in the face of the problems they have to solve. That is why it has become increasingly urgent for the provinces to regain their vested rights, as allotted to them by the British North America Act.

[Mr. Frenette.]

It is difficult for me to understand the reasons why the federal government impinges upon fields which are not under its jurisdiction.

Personally, I think this is the price we will have to pay to save confederation. Respect for the 1867 agreements is a prerequisite if this splendid institution is to endure.

Mr. Speaker, as far as the perennially critical question of taxes is concerned, I should like to quote, with the consent of the house, from a speech by the Hon. J. M. Dessureault, before the annual meeting of the Banque Canadienne Nationale, on the tax problem. I quote:

When a country such as ours, which is comparatively poor in financial resources, finds it necessary to invest its capital abroad it seems obvious that what is lacking the most is a favourable climate to promote private enterprise, which is the driving force of the economy. Now, to revive private enterprise, it would be necessary to ease the burden which increases industrial production costs.

Among the innumerable briefs submitted to the royal commission on banking, there are some which, in the light of true economic facts, provide useful information on what a rational fiscal system should be, that is a system which, while levying essential budgetary revenues, would have the effect of promoting a policy of economic progress.

Let us hope that this will serve as a guide when, as a result of the inquiry by the royal commission, a fiscal reform is undertaken. A reform or, better still, a revision is all the more necessary and urgent in view of the fact that the American congress will very likely, in the not too distant future, pass a bill to enact a general tax cut. Such tax reduction will place our neighbour's industry in a far better position than ever before to compete with the Canadian industry on the world markets, including our own.

Mr. Speaker, those words of the senator who was at that time vice president of the Banque Canadienne Nationale are thought provoking and should encourage us to study objectively the problems now confronting us.

There is also another excerpt from the speech that I should like to emphasize and put on record. It is the one where the senator speaks about his confidence in Canada's private enterprise. I quote:

It is not paternalism which built our country.

If Canada today ranks among the foremost industrial and trading nations, it is due to the foresight, the initiative and the energy of the businessmen who knew how to benefit from its resources. It is men of that caliber who will ensure the future of this country. The growth of the Canadian economy since the last world war is the best guarantee of its future progress. If all those who are engaged in production are conscious of their interdependence and if they co-operate loyally and if when necessary they resort to the arbitration by the state, our country will continue to forge ahead.

Mr. Speaker, I think we have there a profession of faith in the value of free enterprise, and it would be advisable, in these troubled times, to meditate from time to time