

*Income Tax Act*

Mr. Chairman, in the budget speech made by the Minister of Finance (Mr. Gordon) in this house on June 13 last, we find quite another story. As reported in the fourth paragraph, second column, on page 1004, the Minister of Finance stated:

The government is directing the Department of National Revenue to tighten up its administration of the law and to pursue a policy of vigorous enforcement.

This is the order given by the government to the Department of National Revenue. We find that this order has been carried out to the letter merely by looking at the situation that prevailed last summer in the province of Quebec. I refer to the province of Quebec because I am more familiar with it, and more especially my riding. Our workers, our miners, our lumbermen, in short all our fellow citizens have seen their receipts for charitable donations reduced by half and sometimes more. They were entitled to them, because the law provides for an exemption for charitable donations, up to 10 per cent of the net income. Besides, this is stipulated on income tax forms.

Why were those exemptions reduced this year, Mr. Chairman? The answer is to be found in the same budget speech. Here are the words of the Minister of Finance which are taken from the same page as the previous quotation:

There is a double purpose here. One is to increase our revenues—

Well, Mr. Chairman, that is the reason. Claims made for charitable donations were reduced to increase government revenues this year and, next spring, we will be told—as I imagine was often the case in the past—that it is thanks to the Liberal party that the country's revenues have greatly increased. However, nothing will be said about the fact that this increase was achieved at the expense of our workers.

Mr. Chairman, we should put an end to this kind of thing as soon as possible. I appreciate that the government has the right to increase its revenues but instead of depending on those who already have very little, it should seek the additional income somewhere else.

The Creditiste group, of which I am a member, made various suggestions during the last session and this session in order to facilitate to the government the administration of the country without further taxation.

I can see smiles on the other side of the house. While the government laughs at the suggestions of the Social Credit, families cry all over Canada because the government has no solution to offer them. Instead of laughing

at the proposals of the Social Credit, the government should endeavour to run the country in such a way as to respect human values. The old regimes have failed: that has been established. We have a monumental debt. Each year we must pay extravagant interests to the financiers who profit by that system.

Mr. Chairman, it would be a good thing if a way could be found to allow the worker to decide for himself how to look after his income. I would have hoped that Bill C-95, to amend the Income Tax Act, would do more than it promises to do to lighten the Canadian taxpayer's burden. As a matter of fact, the bill only provides for ways and means to levy greater sums of money which the government could easily obtain elsewhere. All it would have to do would be to use the Bank of Canada.

Mr. Chairman, I do hope that in the course of the debate to follow, during which the bill will be discussed clause by clause, certain suggestions will be made so that this legislation can be more readily understood by the Canadian people, something which would increase their respect for the government.

[Text]

**Mr. Hales:** Having spoken once before on this bill after the minister had introduced it on second reading, my remarks now will be brief, but I should like to take a little of the time of the committee in order to deal with two aspects of the measure before us, namely clause 16 having to do with designated areas, and the clause having to do with the withholding tax.

When I spoke before on the clause dealing with the designated areas, I brought to the attention of the minister and of the house five reasons why I felt this legislation was ill conceived. I felt at that time, and I still do, that it was discriminatory. I felt the criteria used to select the areas were unfair and impracticable. Third, I felt it was a contradictory piece of legislation; fourth, that it disregarded municipal and provincial autonomy and, fifth, that industrialists are not satisfied with these particular provisions. I am not going back over this, other than to make a few remarks concerning some of those members who have spoken from the government side on this particular section of the bill. I was astonished to see so few members on the government side rising to defend their minister with regard to this particular section. In view of the amount of criticism there has been throughout this country, the editorials and comments in the newspapers concerning the designating of depressed areas, I would have thought there would be a number of members on the government side