

Income Tax Act

ever seeing the end of the tunnel. They are still in the dark or almost total darkness. That is the difference between an optimistic Liberal philosophy and that of the Progressive Conservative Party which is essentially capitalistic. It is that difference which tipped the scales last February 18. That is why the Liberal Party stands neither to the left nor to the right, and is trying to widen the centre. We want to listen to the Canadian people. We want to meet their aspirations making them a reality through positive legislation. That is what we want to keep on doing.

Mr. Chairman, we heard the hon. members of the opposition speak of a disastrous economic situation. Last week, once again some good news was announced with regard to the economy; mention was made of another favorable economic indicator, namely, a trade surplus of \$8 billion. This is very encouraging. Furthermore, in order to promote the further development of our Canadian industries, of the small and medium-sized businesses, we must protect them because some countries also want to expand their world markets through a mixed credit system by favouring an interest rate to develop their foreign trade. We wanted to protect our industries. The minister announced a three-year program that was not designed to subsidize exports but simply to prevent Canadians from losing potential markets, because some countries use mixed credit to support their interest rate somewhat and thus deprive Canadian companies of contracts.

We took action. The government looked into the problem. The special committee which considers the advisability of setting up a national trading company had received representations from manufacturers. They pleaded with us to do something because contracts were being lost, because they were not competitive. The government decided to act, and over a three-year period projects worth \$900 million will be protected in order to prevent the loss of jobs in the Canadian industry. That's leadership. One does not wait until the train has gone by to react. And that is what we are being told now. I have tried somewhat to feel the pulse of the economy in the housing sector, and I could do the same in other sectors. It has been done with regard to the food basket and the creation of jobs. I could deal with the development of small businesses through various economic incentives, but that is the objective we are aiming at through these new income tax amendments, Mr. Chairman.

In conclusion, Mr. Chairman, I should like simply to say this: Canada is the country of the world which will meet the greatest challenge over the next few years. The Canadian people themselves are facing this challenge. It is our responsibility to take advantage of our geographic situation as well as our natural and human resources if we are to meet this great challenge.

● (1550)

[English]

Mr. Bosley: Mr. Chairman, it is normal during first reading of a bill, or during Committee of the Whole stage, that most interventions do not come from the government side so it is nice that we had one on this bill. We can expect the odd one—and that certainly was an odd one. As a Canadian, not as a Conservative, I get a little tired of the defence that government members make of their policies based on the fact that they have not ruined this country quite as badly as other policies have ruined other countries. I find that a very tiresome defence of policies for which the government is responsible.

The hon. member for Laval has charged that we are not being objectively critical when we say that we do not believe the government intends to reduce its deficit. We base this criticism on the demonstrated record of the government so far. I believe that evidence from the past is more useful than objective criticism and promises for the future. The record of the government is very clear on that. If I am not being objectively critical but am somewhat suspicious of the government's projections with regard to the deficit, I apologize to the hon. member and to you, Mr. Chairman. I am suspicious, however, and I think I have good reason to be.

Perhaps the most critical thing in the speech which may be indicative of the problem we face when we are accused of being partisan, is that having made a budget presentation which argued at length, as the hon. member for Qu'Appelle-Moose Mountain expounded upon so eloquently last night, that the single best thing to get the Canadian economy going is to get Canadians to invest in it, the hon. member for Laval then refuted that argument by saying more money is being given to caisses populaires. No one objects to the government helping those who need help. What I object to is the government's philosophy that says, "We will take more, give out a little of it, and in this way give help." That is the philosophy which has landed us with our present problems.

I should like to compliment the government, however. Perhaps the hon. member for Laval would be interested in knowing that a number of Conservatives welcome some of the measures in this bill and believe that the government should be complimented on them. A measure that was welcomed in my constituency was the spouse's allowance introduced by the Minister of National Health and Welfare. The inclusion of a deduction for spouses' income in unincorporated businesses in this bill is a fantastic idea.

There are others that we like as well, and I will mention them with tongue in cheek. That seems to have become fashionable in this House; the Prime Minister is making a track record of it.

One provision that will help a small but unusual group of people is the provision for an employee aircraft deduction. Until the present time only businesses have been able to deduct aircraft expenses but now employees who have to use planes will be able to deduct that expense. I thank the minister for including that provision because it is going to be helpful to