

Income Tax Act

incomes, but range about 8 per cent. Those figures were taken from the fiscal statistics for 1958.

Mr. Chairman, as I have already said, it is imperative that we come to a solution, for those investigations made in priest houses to check the receipts certainly cost thousands of dollars to the government. I think that if the minister could find a solution similar to the one I am advocating, the Canadian people would be grateful to him.

Mr. Chairman, those were the few comments I wanted to make. On the other hand, I shall have other suggestions to offer when the bill is studied clause by clause.

Mr. Frenette: Mr. Chairman, the study of a measure such as the present one is certainly an excellent opportunity for the members of the opposition to express their views, and I think that one of the most important parts played by the members of the opposition is precisely to contribute to the administration of the country by suggesting amendments to the present legislation and by objecting to some extent to those which could be prejudicial to the development of the country.

The introduction of Bill C-95 could have been a fine opportunity for the government to correct certain mistakes made in the last budget by advocating tax adjustments which would have encouraged worth-while efforts, but the government did not make the most of it.

But while this measure is not entirely satisfactory, we have to admit all the same that it effects some improvements and, in many cases, includes an incentive for Canadian-controlled industries, in short, an incentive for investments in our own industries. And there again, it must be recognized once more that the Minister of Finance (Mr. Gordon) is consistent, that his program for the emancipation of the Canadian economy is going merrily along and that, thanks to everybody, it will probably be such as to give us this emancipation we are all hoping for.

The bill also contains provisions to encourage the establishment of new industries in designated areas through tax reductions to the companies concerned. Here again, I feel the minister should be given some credit for having taken such a step, to enable those areas which, though I am not going to describe them as underdeveloped, are still suffering from chronic unemployment, to grow and to get rid of the evil of unemployment.

However, as far as the designated areas are concerned, I would have liked the government to take into account, in its classification, certain opinions, as it were, of intermediate public bodies which would surely have been invaluable to the departmental officials responsible for that classification.

And I am thinking here of the contribution which municipal councillors could have made in the designation of the areas because, being the government closest to the people, they are certainly in a position to have a better idea of the requirements of the people.

I believe that this tax exemption extended to industries, in designated areas, will bear its fruits a little late, and I am of the opinion that that exemption period of 36 months is not sufficient to ensure the stabilization of industry in those areas.

By the way, this tax exemption in the designated areas bears a strange resemblance to the policy followed by a great many municipalities in granting municipal tax reductions for three years, five years or even for longer periods to industries which decided to set up there. That system turned out to be ineffective because it was temporary, and sometimes it only promoted the interests of some swindlers.

However, I still hope this measure will bring better results and that this experience will be more profitable.

Mr. Chairman, we hear a good deal about designated areas. Statistics show that in the province of Quebec, we unfortunately have—it is not a record to be envied—40 per cent of the unemployed in the country.

It is enough to wonder whether the Minister of Finance should not have so designated the whole province of Quebec, thus allowing for a more considerable development of industry.

The other point I should like to clear up, Mr. Chairman, is the problem of industries already existing in those areas and which are eager to develop through the advantages granted new industries. I am not sure that those industries will have the same tax abatements as the new industries, but I will follow the discussion closely in order to learn a little more about that matter. I consider that the already existing industries should deserve at least the same treatment as the new industries which will set up in those areas.

In our day and age, Mr. Chairman, everything increasingly tends to centralization. It is not with half-measures, such as those advocated in Bill C-95, that we may effectively check that trend.

For several years now, we have been witnessing the invasion of the taxation field by the federal government. The provinces and the municipalities do no longer dare to increase the taxation level and consequently, are increasingly involved in long term loans, thus binding future generations to meet present needs.

The government which is the closest to the people, namely the municipal administration,