

Taxation Reform

business at conventions and meetings in the United States. He says that his main competition comes from people in the lumber business in other countries. I do not think it is quite fair to disallow entertainment expenses, especially since those are quite legitimate expenses. Export sales from Canada may result from them and I do not think we are being quite fair to Canada when we do not allow a businessman to deduct his entertainment expenses. I say that, Mr. Speaker, because we certainly want to increase our export sales.

● (2:40 p.m.)

The special concessions which have been allowed to the Canadian mining industry are to be changed, according to the white paper's proposals. It is proposed to eliminate the three year tax holiday. The Minister of Finance said it is far too costly to the revenues of the government. This may well be, but I would like to see the figures. It is all right to say it is too costly and not necessary, but I would like to see the figures. In the most important uranium mining industry in my district of Algoma, I tried to secure the amount of tax paid by the uranium mining companies of this country. It was impossible to obtain these figures. In this regard I am from Missouri, Mr. Speaker—I want to be shown these figures.

An hon. Member: You are from where? What's wrong with Algoma?

Mr. Foster: I would like to see the figures and, on the basis of the figures, make my decision. Northern Ontario depends on the mining industry and this industry is certainly not favoured by the provisions of the Regional Development Incentives Act passed last year. We want to study very closely any changes which may affect this industry before they are made. They may well be justified. If they are, I am sure the minister will be able to provide the figures to prove that fact.

Another item which has received a lot of criticism in my riding is the capital gains tax as it applies to widely held Canadian corporations, especially on unrealized capital gains. I would like to see the standing committee study this proposal to ensure that we are not harming development and growth more than we are gaining by increasing the taxes. The Standing Committee on Finance, Trade and Economic Affairs will have an opportunity to study these matters as will the Canadian

[Mr. Foster.]

people, because I am sure during 1970 these tax proposals will be the most widely discussed topic in Canada.

Perhaps this would be a good time for the Standing Committee on Finance, Trade and Economic Affairs to experiment with television so that Canadians can see how the committee is dealing with this problem of tax reform. People would be able to participate by passing along their suggestions, so that during the next year the committee could bring forward the most equitable Income Tax Act for Canada.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I am sure the remarks that have been made in this particular debate will be of use in the over-all consideration of the white paper, although I believe the real weight of the consideration that this white paper must have will come in a parliamentary committee or in the discussions of the joint committee which is proposed. Not only will this be the responsibility of the committee insofar as we in the House are concerned in passing legislation which may arise from the white paper, but it will be a very special responsibility to the people of Canada. The Minister of Finance (Mr. Benson) told the provincial treasurers last week, "We'll change anything in the white paper if we can be convinced it should be changed". This is a very broad statement.

From the reactions that I have heard and read about, there will have to be many changes before the white paper can ever be developed into legislation. It will be the responsibility of the special committee to hear these criticisms and convince the government that there are many changes that must be made to the white paper.

Mr. Blair: Will the hon. member permit a question? Will the hon. member say if he and his colleagues are prepared to let the white paper go to committee so the people can indeed present their views?

Some hon. Members: What a stupid question!

Mr. Thompson: That question is completely redundant, Mr. Speaker, and is certainly not in keeping with the spirit of this House. This party has no intention of preventing this white paper from going to the committee. That is the purpose of the committee. This is what I have been trying to say. I do not quite get the import of the question.