

*Income Tax Act*

has to do with farms where there are rocks or stumps, or anything else that prevents the easy application of farming methods. This is often the case in Alberta and I am sure in Ontario and other provinces.

A certain area of land is purchased under an agreement for sale with the intention of tilling, cultivating and putting in a crop in order to earn income. I could go through all these sections, Mr. Speaker, but under the capital allowance provisions we are allowed or disallowed a certain amount for improvements. Whether it is the initial removal of rocks or roots or clearing, or even the application of fertilizer, does not make much difference. In grey soil areas particularly there is a need to fertilize in addition to clearing before anything can be grown.

I am speaking particularly about clearing, which involves a cost the same as anything else. There is a certain allowance and it can be very great. It varies. Some people probably clear and break virgin soil for practically nothing. Other people spend as much as \$20, \$25, \$30, \$35 or \$40 an acre to bring the soil into production.

I hope I am not wandering too much but I am simply trying to set forth this example. I realize the minister is going to say almost immediately that this is an inherited problem which the Conservatives had and did not do anything about and I have to say, of course, that the Liberals also had it and did not do anything about it. But I do not really mean that. The point is that year after year a certain percentage of the people are usually faced with the same problem involving the removal of rocks and have to make expenditures which are not allowed under the Income Tax Act and which I think should be allowed. I should like to draw this matter to the attention of the minister.

**Mr. Weichel:** I rise on a question of privilege.

**The Acting Speaker (Mr. Batten):** Is the hon. member rising on a question of privilege?

**Mr. Weichel:** Yes, Mr. Speaker. On Thursday, October 24, 1963, as reported at page 3957 of *Hansard*, the hon. member for Winnipeg North (Mr. Orlikow) made a statement which concerned one of the top industries in Kitchener. He said, in part, as follows:

The Canadian economic foundation is an operation which exists mainly to extract funds from reactionary and gullible employers who desire to fill the minds of workers in Canada with anti-social free enterprise propaganda. This organization has been used by two companies which have contracts with the United Steelworkers of America, namely Joy Manufacturing of Galt and the Toronto Iron Works. It has been used by the Dominion Rubber Company of Kitchener with very disastrous effects on the rubber workers union.

[Mr. Gundlock.]

Since this company is located in Waterloo North, Mr. Speaker, I was quite concerned over the remarks made by this hon. member. I have communicated with this firm to find out if such an accusation were justified. I was told by Dominion Rubber Company that such a statement is absolutely false. I might mention that this company in Kitchener pays a higher wage rate for similar jobs than most other companies.

**Mr. H. W. Herridge (Kootenay West):** Mr. Speaker, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) dealt very fully with our criticisms of the budget and gave our alternatives. I presume it is safe to say that a good portion of this bill is already in operation. Then, when we come to consider the time factor, we have a lot of business to do in this parliament before it ends. When we consider also that we have a royal commission on taxation giving study to these questions, I think these are sufficient reasons for me to be as brief as reasonably possible.

I rise this afternoon, Mr. Speaker, to bring to the minister's attention the complete irresponsibility of a United States subsidiary company in southern British Columbia. I bring these facts to the attention of the minister because I trust consideration will be given to them when dealing with the fiscal and taxation policies needed to meet this type of situation. Several times this afternoon the question of United States control of our economy has been mentioned. It seems to be on everybody's mind.

Before going further, I wish to say that the minister took what, from our point of view, seemed somewhat timid steps to correct this situation. I personally feel that many people have been unfair to him, and in some cases the very persons who were urging action in this direction. For the first time in Canadian history a minister of finance has recognized by the steps he took, although from our point of view they were timid and somewhat ineffective, the threat to our Canadian industries and Canadian resources from United States control. While we wish he had taken more adequate action, we have other alternatives to deal with the situation, as was indicated by the hon. member for Nanaimo-Cowichan-The Islands. However I think we should do all we can to help him along on this very difficult, and shall I say, darkly lighted road at the present time?

Before proceeding, I do wish to quote from a statement made by Mr. James Muir, who was president of the Royal Bank of Canada in 1954 because it indicates this has been a