

*The Address—Mr. Dube*

Yet, Mr. Speaker, when we have before our eyes the example given by the new President of the neighbouring republic, who in his first message to the American congress, suggested a massive program of aid to economically feeble citizens, would it not be appropriate to wage our own war against poverty, here in this country.

It is hardly necessary, Mr. Speaker, to visit the abandoned districts of the American Appalachians, or the forgotten people in the southern states, to find depression, misery and poverty. Poverty prevails in various areas of this country, in eastern Quebec, in northern New Brunswick, and in my own county of Restigouche-Madawaska.

Generally speaking, our cities and towns are comparatively prosperous, but the ones who are most affected are the country people who eke out a living partly from the bush, or farming and fishing. As submarginal farming does not yield a living, the head of the family works in the bush for a few months every year, and during the winter, he has to resort to unemployment insurance benefits or, if he has no stamps, turn to social welfare to survive for the rest of the year.

This government's economic legislation during the last few months has been helping the urban and semi-urban centres of our various areas, but prosperity develops very slowly in a rural economy.

Our war against poverty should be more intensely waged, to help all our people get their share in this nation's development as rapidly as possible. We should more particularly find long term solutions. Workers should obtain permanent employment, farmers should find a market for their products. In other words, our heads of families and our young people want the privilege of earning their bread by the sweat of their brow without always having to turn to unemployment insurance and social welfare. A massive government effort in this direction would bring quick dividends to all taxpayers in this country.

The three years of tax exemption should be extended to six years for new industries in designated areas, because those industries which are able to show a substantial profit in their first three years of existence are very few indeed. A six year exemption would be an extremely attractive feature. It might be necessary, however, to give a more specific definition of the type of industries which could take advantage of that six year exemption. It should concern mainly industries of a permanent nature which would give rise to other small satellite industries.

Would it not be advisable also to alter the present standard income tax form? Since

economic opportunities and activity are unequal in the various parts of the country, why not adjust the tax rates accordingly?

In that respect, I should like to quote from an article which appeared in the *Revue Economique* of September 1963. It was written by Jean Cadieux, a Moncton university professor, and is entitled:

*A few remarks on taxes*

All Canadians are equal before law, all Canadians are equal as concerns social benefits. However, they are not equal as concerns economic activity. There are, in this country, areas where the standard of living is much higher than in others. This is a simple phenomenon, since nature endowed such areas with resources which are absent elsewhere.

In the case where economic activity and employment possibilities are not the same in this country, I wonder if it would not be appropriate to amend the concept of income tax. Why should the same taxation apply everywhere in the country?

Our taxation provides for an exemption for each child or dependant. Why should it not provide for an additional exemption according to the area where one lives?

I believe that such a reduction in taxation applied to handicapped areas would greatly help the weaker link of the economy and consequently strengthen the national economic chain from sea to sea. In a few short years, we would witness a noticeable levelling of the economy in all areas, and then, all taxpayers throughout the country could equally contribute to the payment of taxes. In other words, the temporary loss of revenue occasioned by such reductions or exemptions would quickly be compensated in a few years, by income from new sources of taxation.

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One project which would be of tremendous assistance to the Atlantic region is the Passamaquoddy tidal power development scheme. This project would definitely fulfil man's centuries old dream of harnessing the energies of the tides. Quoddy would, it has been established, provide one million kilowatts of dependable and needed peak capacity and, combined with the development of the upper Saint John river, would produce an extra 250,000 kilowatts of dependable load factor firm energy.

The report presented to the late President Kennedy by the United States secretary of the interior last July makes it quite clear that the tidal power project is feasible and desirable from both engineering and economic points of view, alone or in conjunction with the upper Saint John river, for storage and power. The secretary of the interior recommended that negotiations be entered into immediately with the government of Canada. France is already constructing a tidal power, and it is known that Russia is planning one.

A project of this magnitude would not only boost the economy of the region; it would