

Income Tax Act

things, the charter president of the Belleville Industrial Commission, which has been very successful. It and other similar bodies would have been more successful if the minister had carried out his promises over a year ago. We did not need a continual dragging out in the press of the stated and restated position. We did not need any more rhetoric. What we needed, and what we must have now, is action, the type of action that will bring the Canadian industrial community to a realization of its own destiny.

[Translation]

Mr. André Fortin (Lotbinière): Mr. Speaker, it is my duty to speak on bill C-192 entitled "an Act to amend the Income Tax Act (No. 2)". Much has been said about this bill, of course, which has led to strange positions being taken in this House. In order to remove any doubt, I want to speak on this bill in order to make our views known on this subject, and mine in particular.

Mr. Speaker, I refer to the excellent speech delivered by my colleague from Roberval (Mr. Gauthier), who dealt with some essential aspects of this bill. He stated very properly, and I quote:

The purpose of the bill, therefore, is an additional 9 per cent tax reduction for the manufacturing and processing industries, which make profits of up to \$100 million and a reduction of five per cent to the small enterprises which have maximum profits of \$50,000.

So, Mr. Speaker, those are the main purposes of this bill. As my colleague from Roberval said, let us express these percentages in terms of dollars; this means that the small businesses will get a maximum reduction of \$2,500, while the large multinational corporations, 60 per cent of which are foreign-owned, will get a maximum reduction of \$10 million a year.

Mr. Speaker, such is the scope of this bill. What are the government, the Minister of Finance (Mr. Turner) aiming at?

First of all, to create and maintain jobs as the hon. minister said; secondly, to make our industries more competitive. The question we should put to him is whether he is thinking of foreign or Canadian enterprises, when we know that the tax cut granted to the large corporations is intended for the multinational corporations whose capital is 60 per cent foreign-owned. At this stage, therefore, it is important to decide whether we wish to make foreign industry competitive on the Canadian market or Canadian industry competitive on the foreign market.

● (1620)

Finally, the third aim of this bill is to fight that villain, inflation.

I shall also refer, Mr. Speaker, to the figures so aptly cited by the hon. member for Roberval, to situate us in the context of this bill. In 1940, large Canadian companies provided 80 per cent of the national budget in taxes, while the workers, the day labourers, provided a maximum of 20 per cent in income tax. In 1972, 32 years later, after watching a succession of Conservative and Liberal governments pass the buck between them, we now see that the situation is exactly the reverse, that is to say, the workers, the small businessmen and the day labourers now pay more than 80 per cent in income tax, while the large corporations' share amounts to less than 20 per cent.

[Mr. Ellis.]

Mr. Speaker, the last point I would like to make concerning this bill, before making some other comments, is that clause 1(3) provides that 60 members are required to bring back this bill before the House within a certain time, so that it can be considered once more by the House in order to decide whether it should be amended or rejected. Mr. Speaker, 60 Liberal or Progressive Conservative members could at that time—and it is not certain that this would happen—ask for the bill to be reviewed.

I charge the Minister of Finance with the worst kind of politicking and with not knowing how this House operates. Since he is here and can hear me, I want to ask him to take it upon himself to amend this part of the bill, so that 10 or 15 members from the New Democratic party, from the Social Credit party or from any other party may ask for a review of this bill. This means that if the Minister of Finance maintains this stand, the New Democratic party—supposing that the present minority situation lasts one year or two—could not possibly bring back this bill before the House any more than our party.

I would remind the Minister of Finance that there are four political parties in this House and that it is our privilege not only to speak on the bill before us, but also to bring it back if it fails to meet the commitments made by the Minister of Finance on its introduction. I suggest it is a most serious anomaly which is contrary to democracy in this House and, of course, the Minister of Finance would prove that he understands something about the Commons if he agreed to amend his bill and to replace the magic figure of 60 by 10 or 15 members.

The Minister of Finance is quite aware that the Conservative party which could bring this bill back before Parliament will not do so, because like the party in office, they toady to big business to obtain its support, not only electoral but mainly financial support.

Surely the members of the Progressive Conservative party cannot express their views on this question at the moment. But I think that by acting as he does, the Minister of Finance is being anti-democratic. I therefore insist that he amend clause 1(3).

Having said that, Mr. Speaker, I should like to come back to a very particular point. This bill provides a tax reduction up to 5 per cent for small businesses in Canada when a 10 per cent reduction is allowed to big corporations.

Mr. Speaker, I think it is putting the cart before the horse or encouraging a system that is already sick, already upside down. Here is what I mean. Many small industries do not have the necessary capital to apply for grants under the act governing the Department of Regional Economic Expansion because a corporation must invest at least \$52,000 if it is to benefit from a grant to create jobs.

Consequently, the small business which represents the backbone of your economy, particularly in Quebec, is denied direct financial help from the federal government even it is heavily taxed, bothered every day by inspectors from National Revenue, from the Unemployment Insurance Commission, from the Canada Pension Plan and so on and it has not the means to absorb such administrative costs.