

*Income Tax Act*

the Bank of Canada finance the constant deficits of the Canadian government, so that they would no longer be financed by the investments of the Canadian people? It is a known fact, at the present time, that the government issues bonds or obtains loans to finance its deficits and that the savings of Canadians are directed towards the national debt, whereas they would serve a much better purpose if used for the expansion of the country and the development of industries, so that the aim—

**The Chairman:** Order. I regret to interrupt the hon. member, but it seems to me that in discussing the matter of deficits and of the Bank of Canada, he is straying to a certain extent from the section now under study.

**Mr. Grégoire:** Think about it, Mr. Chairman, and you will realize that I am not getting away from the clause under consideration. In this section, we are asked to reduce from 20 to 15 per cent the special tax on non-resident which was levied specifically to give an advantage to Canadians who wish to invest their savings. The Minister of Finance now wishes to repeal that tax and we are at present discussing the provisions which will replace it. I feel my remarks are quite relevant, Mr. Chairman; perhaps they may seem out of order to a layman or to one who is not too familiar with the question, but the idea expressed is quite relevant.

As the Minister of Finance stated a while ago, the purpose of the tax established last year was to help Canadians achieve greater control of their economy. Now, this year, hardly a year later, the Minister of Finance makes amendments.

We wish to suggest to the Minister of Finance some systems, means and solutions in order to enable Canadians to obtain exactly what was anticipated by the objective set by the Minister of Finance last year, from which he is retreating this year.

That is why I am asking the Minister of Finance whether, in order to enable Canadians to regain control of their economy, to do what he himself proposed last year through the levying of a new special tax, he intends to facilitate for Canadians the taking over of their economy by directing their savings and investments toward industry and the development of the country's economy and balancing the deficits of the federal government through the Bank of Canada rather than through the savings and investments of Canadians, thus enabling them to get back control of their economy, such objective having been set last year by the Minister of Finance himself.

**The Chairman:** Order. I wish to point out to my hon. friend from Lapointe that even if  
[Mr. Grégoire.]

I am only a humble layman, I listened to him with attention and I consider, despite the observations he made, that what he has said during these last few minutes refers the effects of the tax under discussion but is not directly related to the tax itself.

On the other hand, if the Minister of Finance wishes to make a brief answer to the argument presented, I am sure the committee will agree.

**Some hon. Members:** Agreed.

[Text]

**The Chairman:** Shall the clause carry?  
Clause agreed to.

On clause 21—*Tax non-payable by non-resident person.*

[Translation]

**Mr. Grégoire:** Since the Minister of Finance did not want to answer my question concerning the non-resident special tax, I must conclude that on the matter of the non-resident special tax he is retreating, and he is not bringing any solution to the existing situation: he is retreating on this point and has no solution to offer so as to place the economy under Canadian control.

I believe that the silence of the minister in this respect is most significant.

[Text]

Clause agreed to.  
Clauses 22 and 23 agreed to.

On clause 24—*Child qualified for family allowance.*

**Mr. Gordon:** On this clause, clause 24, I shall ask my colleague the President of the Privy Council to move, seconded by the Solicitor General:

That the said bill be further amended by striking out subclause (1) of clause 24, by renumbering subclause (2) of clause 24 as subclause (1) thereof, and by striking out subclause (3) of clause 24 and substituting therefor the following subclause:

(2) This section is applicable to the 1964 and subsequent taxation years.

**Mr. McIlraith:** I so move.  
Amendment agreed to.  
Clause as amended agreed to.

On clause 25.

**Mr. Nowlan:** This clause is so long as to be unspeakable. There is nothing one can say about it except to point out that it covers pages 19, 20, 21, 22, 23, and 24 of the bill and continues halfway down page 25. All the lawyers and all the accountants are looking forward to the enactment of this clause with the highest degree of anticipation because,