

Income Tax

was done in Canada was put into place at a time and during years when the Canadian dollar was at a premium, and that if the situation is as it was described by the hon. member, that is an accident.

What he did not do was give us an indication of the cost to the country and the ways that the low Canadian dollar contributes to extraordinary costs in other areas. As a member from British Columbia, I realize that the devalued Canadian dollar has made a great contribution to the export picture in that province, but that was only part of the problem. The devaluation of our dollar is a price that the government and Canadians must now pay for the full set of fiscal and financial policies which have been unwise and in use for too long a time.

● (1532)

If one considers the area of taxation—and we are dealing with an income tax bill—here again I have a quibble with my colleagues to the left from the NDP. The English language does not permit them to call a tax concession a gift. They do it all the time. A few years back, taxation was seen as being next to theft. If a government stops its thievery, that does not mean it is gifting anyone. We know that when the NDP were in power in British Columbia they robbed industry blind. They simply did not understand the narrow profit industry in that province. They assumed the boom would go on forever. In collusion with the federal government, they set up situations whereby industries could not possibly be profitable. That is particularly so in the mining industry, but they did untold damage to the forest industry as well.

Some hon. Members: Oh, oh!

Mr. Johnston: My friends can call and shout if they wish, but they know the fate of that unhappy government. Years ago we talked about robber barons. In British Columbia they had a "Robber Barrett." For three years they knew exactly where they were.

Mr. Rodriguez: What about INCO?

Mr. Johnston: I do not have time to go into the full implications of that matter. However, I never cease to be astonished as I watch the process whereby any hope of the new international economic order is left in shreds and tatters by the NDP as they talk about INCO. Any question of the transfer of technology is postponed into the distant future. If a corporation can be so much criticized for transferring both technology and operation, one wonders what kind of load would fall on a government which attempted to do the same thing on the same scale. I wish those great proponents of the new international economic order would seriously think about what they are doing the moment there is a crisis in any particular locality in Canada. It is something to which they should give considerable thought.

The worst aspect of calling a tax concession a gift is that the public expects too much from it. If the government says, "If you do a few certain things, we will take less taxation from you", that is quite different from the government saying to a

[Mr. Johnston.]

company that it will give them a grant. Those two matters should be carefully and continually sorted out as we go along, because tax concessions are not the road to a quick economic recovery.

Plants in Canada are now operating at less than capacity. There is no incentive for them to expand with a tax concession. Why should they go out and borrow when they are not using all they have at the present time? The concession of income tax to individuals is a better route to take. It has been meeting some approval from the NDP. For a long time it has been suggested from this side of the House. It has been acted on, but in a way tinkering around the edges of the real problem. The promise of the \$100 deduction around January or February will be hailed by all who can receive it. However, I remind them that looking into the next year they can obtain almost as much by making a contribution to a registered political party.

I know if this thought comes home, a good many will contribute the \$100 to the official opposition because they will very much want to remove this government from power. They will see a way of assisting in getting this country back on to a financial course that makes a lot more sense in difficult times than the one on which this government has been embarked for far too long.

I spoke earlier about exports. It is essential that we succeed in exporting to other countries. Part of the area I represent has some of the finest and largest, and a great many undeveloped, coal deposits that can be found anywhere in the world. We know that the coal market is extremely competitive. There are a great many other parts of the world that are blessed with coal. It is a credit to the miners and the companies that they had the courage and foresight to invest in that part of British Columbia which is in some ways remote even though it is not all that far from the American border. Therefore, it is not usually seen as being as remote as it is, even though it is a long haul from there to the coast. The competitive position in which these coal mines have been put has not been very good. They have been a little too dependent on the Japanese market, which at the moment is in a slump. Therefore, there is double jeopardy. The one useful thing the Minister of Industry, Trade and Commerce (Mr. Horner) said in his speech yesterday was with reference to the hope of diverting some of that coal and sending it east to Canadian markets. I know there is very much concern in that area with the development of coal. The government and the Department of Industry, Trade and Commerce should give a great deal of thought to this question.

I fail to see any indication in the new budget that that area will be a target for the direction of research funds. As I read about research funds, it struck me that a blind eye was being turned toward western Canada. The areas singled out for concession to industries which do research in various parts of the country do not pay a great deal of attention to western Canada. This is a serious omission. For far too long there has been a tendency to see all of the western economy as booming. British Columbia is still a target for internal migration in Canada. We still have a great number of people coming there