

am prepared to accept this to some extent. However, there must be some measure of respect for the general rule that the member who has the floor is entitled to be heard. I appreciate that this applies to all hon. members and I shall continue to attempt to the best of my ability to enforce the rule in relation to all hon. members.

[Translation]

**Mr. Trudeau:** Let me help those gentlemen opposite who are not yet able, or willing, to grasp the essentials of this bill. One of its consequences will be an encouragement to Canadians to invest in Canada. It does this by substantially increasing deductions for contributions to retirement plans. This will raise substantially the level of personal savings available to finance capital investment in Canada.

The bill contributes to Canadian investment in still another way. Foreign investment of pension plans, deferred profit-sharing plans and registered retirement savings plans now may not exceed 10 per cent of assets if these plans are to qualify for tax-free treatment. This change will channel millions of additional dollars into Canadian investments.

The progressive reduction in the general corporate tax rate from 50 to 46 per cent in 1976 will bring this tax down to a level below that in the United States, our chief business competitor.

Canadian ownership of small businesses is encouraged by making the lower tax rate available only to Canadian-owned companies, and by penalizing non-resident control.

Canadians of all walks of life will be more likely to invest in risk activities because capital losses may now be set off against gains, and not lost totally as in the past. This feature of the United States tax system has long been cited as one of the main reasons why Americans invest in equity stocks while Canadians have sought the more assured shelter provided by life insurance and the bond market. Speculative losses incurred in the area of resource industries will be reduced.

An improved dividend tax credit will be an added incentive for Canadians of modest income to invest in shares of Canadian corporations.

And the bill puts Canadians on the same footing as some foreign nationals in mounting, or meeting, take-over bids. Heretofore Canadian corporations have not been able to deduct as an expense interest on funds borrowed to finance the purchase of shares in another corporation. American corporations have. Canadians will now be given an equal advantage.

Incentives in the resource industries will be related directly to exploration and developing carried out in Canada.

And in response to these incentives, Mr. Speaker, the Conservative party cries shame. Bad for Canada, they claim. Their reaction shows what a poor idea they have about what is good for Canada.

[English]

Relevance, fairness, growth incentives—these are bad? No wonder the Leader of the Opposition (Mr. Stanfield) confessed, on television and in living colour to bloody-mindedness. Canadians would be hard pressed otherwise to figure out what he was up to. Until that confession was made, I was convinced that the hon. gentlemen did not

### Income Tax Act

know where they were going. The ingredients of Conservative tax policy seemed to be the text of paid advertisements by affluent interest groups, seasoned with the latest statistics from some mail-in pressure campaign, then cooked for two hours in the heat of the weekly Conservative caucus meeting.

**Some hon. Members:** Hear, hear!

**Mr. Trudeau:** When the white paper was published in the fall of 1969, the Conservative Party responded in that instinctive, reactionary fashion of all federal Tories. "Attack it, attack it" they cried. "Don't believe the government", they said. "The government will not make changes; we must stop this whole exercise", they called out. And so, as early as 1969 the people of Canada learned just how those hon. members viewed participatory democracy. They learned, too, how accurate was their leader's political forecasting, for we did make changes, just as we had said all along we were prepared to do.

Chapter two in the incredible odyssey of these wanderers in pursuit of a political issue revolves about the work of the Standing Committee on Finance. Hon. members will recall that at this time most provinces submitted briefs. The NDP took a stand. Canadians by the thousands expressed their views. The Conservative Party, however, declined to vote either for or against the report. This was their way of showing leadership. This was the expression of a credible alternative to the government.

**Some hon. Members:** Hear, hear!

**Mr. Trudeau:** Perhaps so many members of that party were out with fingers in the air testing the political wind that none could be spared for the committee on another matter. The opposition then claimed credit for the changes proposed by the committee. Their only worry, they said, was that the government would not accept them. The government, of course, did accept the bulk of those suggestions. Now, the hon. gentlemen argue against them. The road to glory is seldom without detours! I believe it was better stated by the right hon. member for Prince Albert (Mr. Diefenbaker) who said "It is a long road that has no ashcans".

**Mr. Diefenbaker:** The Prime Minister proved the truth of this when he evaded the constitution in 1968.

**Mr. Trudeau:** Those on the other side complain of lack of time; lack of time to study this bill and lack of time to debate it. The first point that they could not study the bill during the summer is not so much a complaint as an admission of their own inefficiency. Copies of the bill were distributed in the normal fashion to all hon. members and to the opposition parties' research staffs by July 12. If those on the other side were otherwise engaged throughout the summer, I cannot comment, but the facts are reasonably ascertainable. One can easily inquire concerning when the distribution office distributed this bill. It was done on July 12.

It is a matter of record that we are today on the 49th day of debate on this bill. Those cries from the other side, Mr. Speaker, come from those who do not feel that 50 House days of debate are sufficient on this item. I congratulate them on their ability to talk so steadily all that time. The