

Income Tax Act

States. Has it not surprised you, Mr. Speaker, that the representatives of ten countries are meeting in Europe now to decide what is the best way for the international monetary system to operate, and that Canada, one of the ten participating nations, will have but one vote to the nine votes of the United States? In other words, the United States is going to tell the rest of the world that everybody else is out of step but them.

This reminds me of the story of Mrs. Smith whose son joined the army. One day the army came to town and she, along with all the other people in the town, watched the army go marching by. As she did so she turned to the lady standing next to her and said, "My! The whole army is out of step except my son". This is similar to the attitude of the United States. They have told the world that they are not going to revalue their currency, that every other country of the world will have to revalue theirs. Although the United States says it may be going bankrupt, it wants every other country to get to the same state of bankruptcy so the United States will not suffer.

Not long ago President Nixon stated he was going to take the United States off the gold standard. That statement surprised me because I thought we came off the gold standard after the First World War. I have seen them come off the gold standard twice since then.

Mr. Francis: You mean the gold exchange standard.

Mr. Peters: I do not know what the gold exchange is. I do not know what the gold standard is. All I know is that the United States seems to have control of it. It is they who declare that gold is worth \$35 U.S. an ounce and that the world will have to pay that price for it. That becomes the standard. Is it not time that this stupid government that we have and the Canadian public in general said to themselves and to the world that what we need is an international standard that reflects the true worth of a nation?

• (5:40 p.m.)

In my opinion the Canadian dollar is now worth \$1.25 in United States currency. We are probably working hard to try to keep it down to par value. We do not owe any great amount of money as individuals in this country compared to citizens of the United States. The United States has told Japan that it must change the value of its currency in order to match U.S. currency. The United States has told Germany that it must revalue its currency, bringing it to favourable terms with the American dollar.

Is it not time that we sat down with representatives of the civilized nations of the world and agreed upon an honest value for an international unit that would be suitable and stable in every country? No matter how much money the United States needs, it finds a source. It accelerates spending as a result of the Viet Nam war. The United States makes a big name as a result of give-away programs. The United States is like a big-time gambler; it bets heavily and throws away its chips. When it finds it does not have enough money, it revalues its currency in relation to our currency and that of other countries. We must be absolutely stupid if we allow the United States to do this. This change in currency has taken place since the budget was presented. We are changing the Income Tax Act by this measure. This is a matter we should consider

[Mr. Peters.]

very seriously. It would not be difficult for me to balance my budget if I followed this course. It would be difficult for me to do so if the bank manager said he approved a big loan today, so my money is only worth half what it was worth yesterday, and did so in order to maintain the bank reserves. The bank could manage very well by suggesting that everyone's money was worth half as much and the bank's reserves remained the same. The banks can get away with this, but this would only happen once before I changed my bank and, hopefully, I would change before it happened.

We will not decide on a tax structure which affects individual businesses and people unless we know where our economy is going. We recently gave second reading to a bill to provide \$80 million to one sector of our economy. The industries which will benefit are mainly controlled by foreign interests. We will in fact be saying to the United States that because of our unemployment we are going to take arbitrary steps and force these companies to operate whether it is economical to do so or not. We are going to provide the money to accomplish this end. This money will go to the United States in any event, but perhaps it will not do much in the way of assisting President Nixon's program. We are making a donation. Apparently we are not particularly worried about the unemployment problem because we did not provide \$80 million last year to create new jobs; we did not make \$80 million available in credit to industries.

Many interested people are attempting to redirect Canadian economics and are suggesting interventions in respect of foreign-owned companies in order to do something about our developing unemployment problem. It may be that we will have to subsidize certain industries. I am sure there is not a member in this House who would stand and say that if 40 men were laid off at a plant in his constituency they should not be compensated through existing measures or by special grants from Parliament. I am sure we would all be prepared to make part of the \$80 million available for this purpose. These companies are not interested in making that kind of concession in order to enable United States parent companies with subsidiaries in Canada to operate in competition. These parent companies are not interested in making their Canadian subsidiaries competitive with their United States counterparts.

There are many aspects of this bill which will receive serious and conscientious consideration. One of the new proposals in the bill is that workers will be given the opportunity to write off \$150 in expenses in respect of personal equipment. What can you buy for \$150? Have any of you ever purchased sockets for use in mechanical work? Have any of you ever purchased meters for use in the electrical field? Have any of you ever bought dental equipment such as is used by a dental technician? We are not living back in the 1920s, we are living in an affluent society in which the tools and equipment required by workers are expensive. I was told by a bush worker the other day that he uses three chain saws per year and that they cost him about \$300 each.

If I were the head of a corporation I might suggest that a meeting of salesmen be held in Hawaii during the Christmas holidays. This expense can be written off. I do not blame corporations for doing this, but I do not think it