

*Income Tax Act*

Finally, I believe we must continue the important and successful efforts at trade diversification which this government has undertaken in the past. If some hon. members want to dismiss the trips made by ministers as junkets, they are free to do so but I believe the trip by the Prime Minister (Mr. Trudeau) to the Soviet Union and the trip by the Minister of Industry, Trade and Commerce (Mr. Pepin) to the People's Republic of China to be positive and constructive and in the national interest. Indeed, in light of some of our present difficulties I would say that developments and contacts in both the U.S.S.R. and China hold out important possibilities for this country. These seem to me to be the sort of considerations and directions which may in the long term contribute to solving the economic problem of unemployment.

In conclusion, Mr. Speaker, I say, as I said in the beginning, the amendment before us is nothing more than a superficial political manoeuvre. The bill attempts to delay and stop Bill C-259 which offers substantial benefits to Canada and Canadians. We are not promising Utopia, or the millennium; we are not saying that with Bill C-259 tax changes in Canada have come to an end. Not at all, we say this is a major reform, a major improvement and should be passed without any unnecessary delay.

**Mr. S. Perry Ryan (Spadina):** With respect to the motion of the Minister of Finance (Mr. Benson) for second reading of Bill C-259, Mr. Speaker, I rise to speak to the amendment moved by the hon. member for Edmonton West (Mr. Lambert). In view of the gloomy outlook for the Canadian economy, I asked the Prime Minister (Mr. Trudeau) during the question period two weeks ago to consider changing the government's legislative priorities by bringing in tax cuts, the family income security plan and the Canada Assistance Plan reforms now instead of possibly six months from now. He replied politely enough, "Not at this time", but gave the impression that there was no urgency about the gravity of the economic picture in Canada but only urgency for this bill. Where is the government's sense of timing? And why is it that to obtain some minor overdue benefits for the people this government always insists upon imposing major burdens in the same package, burdens that are questionable and must be questioned? Being the authors of the economic misfortunes of this country and their own misfortunes, one would think that the Prime Minister and his supergroup would seize the opportunity to redeem themselves, even at this late date, by giving priority to these imperative and humane measures over Bill C-259.

Bill C-259 is palliative to some and punitive to others, but will do nothing to pull this country out of the economic swamp into which this government has steered it, both domestically and internationally. The ill-conceived and immature initiatives that have emanated from the government since the Liberal party became the "Mad Monk" party have poisoned our economic relations with the U.S. and have poisoned and threatened our collective security arrangements with the western alliance. Today we had an announcement from the Secretary of State for External Affairs (Mr. Sharp) that we were going to shamefully follow the lead of Albania by supporting the resolution which will pitch Taiwan out of the United Nations and set a horrible precedent for the future. It will spell the break-

up of the United Nations for sure. Shame on the minister and shame on the country. The minister was not always in favour of that.

**Mr. Sharp:** Always.

**Mr. Ryan:** I do not know what has converted him to such a position now.

**Mr. Sharp:** There is no question of chucking anybody out and you know that.

**Mr. Ryan:** Let me quote from an article in the *Valley Messenger* of Alhambra, California of August 5 last at page A, headed "Trudeau's Independent Line Costing Canada". It reads:

In 1968, Trudeau inherited an economy from Lester Pearson that had some important things going for it. One of these was that Ottawa had influence in Washington and at European Common Market headquarters in Brussels as a result of Canada's team play in the western alliance, particularly in the North Atlantic Treaty Organization, the North American Air Defence Command and the United Nations.

And further, from the same article:

Tragically for the unemployed, Canada is no longer represented by a government that can negotiate advantageously with this country's largest export market. The breakdown in rapport comes while the United States is going through an extremely protectionist phase which can, under the circumstances, only be detrimental to the Canadian economy.

Either supergroup, or the Prime Minister have consistently ignored warnings from Washington that the United States would react if Canada kept on provoking her. Now that reaction has come in the form of the American refusal to exempt Canada, her best customer, from the 10 per cent surcharge. Furthermore, it is unlikely that this present government will be able to obtain any relief from their DISC and investment tax credit proposals when they become law.

• (4.10 p.m.)

The only sane way out of our economic dilemma is for this country to replace the present anti-American government with a pro-Canadian government led by the hon. Leader of the Official Opposition (Mr. Stanfield), who is the only leader of any political grouping in this House who would be able to obtain the exemptions and considerations we need to protect our vast market with the United States.

This bill will give long overdue exemptions to some by shifting the tax burden to the middle income brackets. It will not help the economy now when the need is so great, nor over the bleak winter we face. It will, however, cause a great deal of consternation and confusion for many moons to come. Tax experts across the country have studied this bill all summer and have concluded that much of its content is murky. It is doubtful that the men in the finance department, who wrote the sections that form the whole, understand the monster to which they have given birth. Many interested organizations across the country have asked for more time to digest this monumental bill. The Canadian Chamber of Commerce in its submission on tax reform dated September, 1971, puts it this way:

Turning to Bill C-259 itself, the Executive Council regrets, despite its concern about removing the uncertainty as quickly as