

Yesterday the hon. member for Peace River (Mr. Baldwin) in scathing terms, criticized the hon. member for Sault Ste. Marie (Mr. Murphy) because that hon. member had asked him if he was suggesting that the government should take a draft of the legislation to Washington for approval before submitting it to this House. In his answer the hon. member for Peace River suggested that the government should come up with a number of contingency plans. May I comment on that.

I suggest it is ridiculous to expect any government to anticipate all the permutations and combinations of decisions which might be taken in the United States in the next few weeks and bring into this House a contingency plan. What could be more absurd, what could be more ridiculous, particularly at a time when governments are discussing these important matters among themselves at the official level, and just before the international meeting, headed by the Minister of Finance (Mr. Benson) as chairman of the Group of Ten nations, which is to commence today. How unrealistic and impractical can the opposition be?

The tax reform bill which is before the House for second reading is the product of the most democratic tax review ever conducted by any government. The white paper hearings, for the first time, provided the Canadian people with a direct voice in expressing their opinions on government tax policy. The facts are that the government responded to requests for substantial tax changes as a result of reaction to proposals outlined in the white paper. This attitude and this response have been acknowledged by a great many Canadian people as being successful methods of conducting reform in our system of taxation.

Before us now is a vast and complex bill. Admittedly, it is complex, because reforming the tax structure is a tremendously difficult task. Nevertheless, although there are complications in the bill, there is real heart in the approach to tax reform that has been taken by the government and the Minister of Finance, and the bill represents substantial relief to low income Canadians. I do not intend to outline and catalogue all of its legislative provisions. I wish to outline some of the highlights. Personal exemptions will be raised to \$1,500 from \$1,000 for single persons and to \$2,850 from \$2,000 for married persons. Exemptions will be \$500 for children under 16 and \$300 for children over 16. Child care expenses will be deductible, up to \$500 per child under 14, for a maximum of \$2,000 per family. An employment expense account of up to \$150 a year is introduced. All taxpayers with married exemptions and income solely from wages and salaries will pay less tax than at present. All taxpayers aged 65 and over will receive a special exemption of \$650. The guaranteed income supplement will be exempt from tax. Capital gains will be taxed on a reasonable basis. Comprehensive provisions have been made for corporations, so that they will be able to expand and develop without being hindered from expansion, as originally outlined in some provisions of the white paper. Incentive and encouragement to develop are the key notes relating to corporation tax provisions in the bill.

The total result of these measures reflects a fairer system for taxing the Canadian people. People on low incomes and retired people are treated with sympathy and justice. The integrity of the bill stands out in a major

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overhaul under which unjust treatment of poor people is abolished. Over 750,000 people henceforth will no longer pay any income tax.

The attitude of the government, taken together with social security measures adopted for those on low incomes and with heavy family expenses by the Minister of National Health and Welfare (Mr. Munro) reflects a determination to direct Canada away from being a land with a high level of poverty. Opposition members, particularly the hon. member for Edmonton West (Mr. Lambert), have admonished and chastised the government in speeches made during this debate. They have criticized the wording of the bill and criticized continually every step taken by the government to bring about tax reform. Mr. Speaker, I suggest that a note of bitterness and pessimism was expressed by the hon. member for Edmonton West which, if accepted, could lead one to believe that any tax reform is impossible. He has seldom acknowledged the good features in the bill and merely emphasizes gloom and doom to the detriment of speedy action in this House.

• (4:10 p.m.)

For ponderous pontification and pessimistic prolixity the hon. member for Edmonton West takes the prize. Those who adopt his long speeches of technical misery as constructive criticism will find few followers among the electorate of Canada. Mr. Speaker, I urge all hon. members opposite to cut down on the length of their speeches and proceed to end this unnecessary second reading of the bill so that valuable time which could be better employed in committee of the whole will not be wasted.

The difficulties in draftsmanship are human difficulties, but there is not the slightest doubt that we on this side of the House are determined that the Canadian people are granted the fair and just tax reform bill before us.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on the amendment.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I had not expected to take part in the debate at this point primarily because I am not prepared. I wanted to have the opportunity to get some notes by me for reference. However, one does not need an agglomeration of notes in order to stand before the House and give some indication of the feelings of the Canadian people toward this bill. Not too long after the intervention of my hon. friend the Leader of the Opposition (Mr. Stanfield) the public became extremely concerned about what the government was attempting to do. They were concerned because the government appeared to give no recognition whatever to those who, after hard work and personal initiative, felt they were entitled to some reward. The government appeared dedicated to removing the reward factor from those who were deserving of reward. I am thinking of those who had struggled for a long time to acquire a home, a place they could call their own. The government wanted to tax them. Again, I think of those who through initiative and ability had been able to build