

Income Tax Act

the standard applied to the rich is much more favourable than that which is applied to the ordinary Canadian.

I rise merely to emphasize a point which has been made by some of my hon. friends over and over again. We do not intend to go on making these points ad nauseam. It appears we cannot change the government's view with regard to some of them and we do not intend to keep on talking and putting our arguments forward without serving a useful purpose for the Canadian Parliament or the Canadian people. But we believe that every time an issue of this kind comes up it is our duty to place our position on record, for we are against treating the corporations and the rich with silk gloves while placing the real burden of the tax system on the middle class and those living at a low income level.

Before I sit down I wish to make it clear as leader of my party that we have nothing in common with most of the objections raised by the spokesmen for the Conservative party. We have nothing in common with the hon. member for Edmonton West when he sheds tears for the corporations, or with the kind of objections he is raising to the legislation. We may sometimes be wrong. No doubt we are. But we are interested primarily in the protection, in our view, of the poorer sections of the community and of the middle income people. To the extent the corporations, or people with a great deal of wealth, pay less, that much more has to be contributed by those who have little. That is the history of this new tax system. This proposal makes a few desirable changes but does not basically alter the inequities from which our taxation system has suffered. It is for this reason that I cannot agree with the suggestion the leader of the Conservative party made the other day outside the House, and I think inside the House, though I was away on the day it may have been made, in regard to passing the entire bill, bringing certain sections of it into force immediately and then waiting some months for the others. This seems to me the kind of suggestion that derives from an element of society which really does not need or deserve the concern of the members of this House.

• (3:30 p.m.)

We want some basic changes made to the provisions having to do with co-operatives and credit unions so as to ease the burden of taxation where it should be eased. We do not think it is of any value to keep on talking on the bill for a further period of months; we have already talked about the bill for a long time. Neither do we intend to fold up unless the government is prepared to see the justice of certain representations that have been made, and to make substantial changes to the law in regard to the taxing of co-operatives and to other provisions in the bill. If these substantial changes are not made, it is our duty to continue fighting for them. I took this opportunity of rising for a few minutes to make clear that I do not share the suggestion made by the leader of the official opposition, any more than I share the tears shed by spokesmen of the Conservative party over the penurious corporations that are affected by this legislation.

Mr. Osler: Would the hon. member permit a question that revolves around a statement made by Premier Schreyer, quoted in the *Winnipeg Free Press*. I am sorry I cannot give him the date from the reproduction that I

have, but I will send it to him if he wants it. He was griping about some statements made at a convention of his party and said that his government should concentrate on economic development which will provide the most jobs for people. Then, his industry minister said that he was tired of all this ideological hang-up that had been shown and stated that the bulk of the industry in Manitoba is private and deserves their support.

In view of the statements that the leader of the NDP has just made about Canadian corporations, most of which are small and to which we are trying to give some measure of support, would he tell us what is his philosophical position? Does he believe that small corporations are worthy of some support, as do the premier of Manitoba and the industry minister of Manitoba?

Mr. Lewis: If the hon. member for Winnipeg South Centre understood what he has read he would find no difficulty reconciling what I said and what the premier of Manitoba said. I agree with the premier of Manitoba, and so does my party. We accept the fact that most of our economy is privately owned and controlled, and if we had an opportunity of doing something about it as a government, either federally or provincially, we would look forward to a mixed economy for a long time to come, if not forever; I do not know. By all means, we agree that the smaller corporations have to be given the opportunity to live and to make a fair return on their investment. I have no doubt that the minister of industry in Manitoba is prepared to have the Manitoba Development Corporation assist any industry that provides jobs, whether that industry is privately or publicly owned.

On that score, there is no difference between him and me or between the provincial party in Manitoba—that is, the majority of them—and the federal party. I have no difficulty reconciling the two. All I am saying is that, whether it is a small or a large corporation there ought to be an equitable tax system that ensures we all carry a fair burden of taxation. I particularly object to the increase in the dividend tax credit from 20 per cent to 33 per cent, because I am not convinced from what I have seen that this does not give a very positive advantage to those who make a large part of their income from dividends. I frankly admitted I had not made a lot of calculations, and I do not accept the tables provided by the department as the final word. Only experience will show. A good many other matters have to be taken into consideration, such as total income, marginal rates and so on. I am not at all convinced that this change is a change for the better as far as a more equitable tax system is concerned.

Mr. Osler: Mr. Chairman, I have found the reference to this report and will provide it for the information of the House. It is the *Winnipeg Free Press* for November 22, 1971.

Mr. Mazankowski: Mr. Chairman, I am delighted to participate in the debate on this very important section of the tax reform bill dealing with the taxation of the operations of small business corporations. Certainly, I do not put myself forward as an expert on taxation but I do happen to have had some experience operating a small business, and it is from that standpoint that I should like