

Income Tax Act

the remarks he made. He said, in the course of his speech, that we might well be greatly concerned, now that inflation has come back again, about the fact that expansion might return too quickly to the economy. I should like to hear him say this to some of the unemployed or to some of those who are in receipt of welfare. It surprises me that the parliamentary secretary should say such a thing.

An hon. Member: Perhaps because there is an election coming up.

Mr. Nystrom: Yes, it was probably because an election is coming up. In addition, the hon. member said we could blame a certain amount of the present high unemployment on the surtax imposed by the United States. Again, he might have said that because there is an election forthcoming—

Mr. Mahoney: On a point of order, Mr. Speaker, I was explicit in saying that the figures for August were not affected one way or another by the United States surcharge. I do not think the hon. member can properly put the interpretation he did on anything I may have said.

Mr. Nystrom: I am glad the hon. member has clarified that point. I think most hon. members gathered from his remarks the same implication as I did. Unemployment figures are structural and the surtax had nothing to do with the figures for August. When one looks at the industrial index for July one finds that the index figure has declined. Shipments of manufactured goods were down by .3 per cent for Canada and for Ontario they were down by 19.1 per cent. This, to some degree, explains the increase in unemployment during August.

Before us today is the huge bill amending the income tax laws. An hon. member who preceded me a few days ago contended that these proposals would not really inform the tax system. About the only people for whom the bill would provide jobs or incentives would be the printers or pulp manufacturers because this 700-page bill, is one of the largest ever presented to the House.

The history of tax reform in this country goes back to the time when the right hon. member for Prince Albert (Mr. Diefenbaker) was prime minister in 1962. He appointed a royal commission to study the taxation system, and heading that commission was Mr. Kenneth Carter, a chartered accountant and former director of the Canadian Tax Foundation. After a great deal of study, the commission produced an elaborate and extensive report. It said the taxation system in Canada was among the most unfair in the world. It said that hundreds of millions of dollars reaped in profits was escaping taxation; that certain industries such as mining industries were paying scarcely any taxes at all under the existing tax arrangements. The Minister of Energy, Mines and Resources (Mr. Greene) made reference to this situation when he spoke in Calgary some months ago. About two years ago a white paper on taxation was brought down. This embodied some of the recommendations made by the Carter Commission, though they had been watered down to a large extent. Later, hearings were held by the Finance Committee of the House and representations were made to that committee by various interested groups. Today we have before us Bill C-259, an act to amend the Income Tax Act.

[Mr. Nystrom.]

The first question I ask myself when I consider a measure such as this is: will it have any effect to redistribute income and wealth in this country? In this case, the answer is, obviously, no. It will not in any substantial way redistribute income and wealth so that the ordinary people, the ordinary farmers, workers and small businessmen will have any better chance. Contrary to what the parliamentary secretary has said, this is not a bill which will result in tax equity. This is one of the first things which becomes evident to us. We have now completed the circle and find ourselves back where we were before the Carter Commission was appointed to study taxation.

I think it was my hon. friend from Oshawa-Whitby who commented that the best thing he could say about the bill was that the average person would be no worse off as a result of its provisions than he was before it was introduced. I find myself asking the following questions: where is the great innovator who was elected in 1968? What has happened to this great innovator who talked about a just society and participatory democracy? Where is there evidence of these great changes based on equity? We were supposed to see these changes, but more than three years have gone by and there is evidence of very little change in our society of fundamental importance to the average person. Instead we are faced with the highest unemployment rate of any industrial country in the world. The inflationary trend has resumed, more people are living on welfare, the housing problem is still with us and the gap between the rich and the poor is just as wide as it was 20 years ago. For reasons of this kind, I am very much opposed to the type of bill now being presented.

• (4:10 p.m.)

I often wonder what the Prime Minister (Mr. Trudeau) had in mind when he talked about the just society. Did he have in mind a society which was just for the rich? This is what he might have meant, because almost every piece of legislation brought down before the House is of greater benefit to those who have it made than to the person who is unemployed. When they talk about participatory democracy what do they have in mind? We were told at a meeting of the Committee on Finance that about two-thirds of the people who made representations were from the industrial or commercial sectors of our economy. Are these people the ones who can participate because they have power and wealth in this country? It is much easier for these people to participate because of their expense accounts and huge bank rolls than it is for the poor guy who is on welfare living on skid row. These are things they forget about when they throw around that beautiful Liberal rhetoric and talk about participatory democracy.

In answer to a question today the Prime Minister asked whether I had not read the speech of the Minister of Industry, Trade and Commerce (Mr. Pepin) during which he referred to the matter I had in mind. I am not after that kind of rhetoric, I am looking for answers right here and now. In this bill we still find some lip service being paid to the concepts about which the Prime Minister has talked. This has been mentioned already by members of my party and those members of other parties who have spoken.

We note that the exemption of personal income tax has risen from \$1,000 to \$1,500 a year for single people and from \$2,000 to \$2,850 per year for a married couple. This is