

Mr. Huntington: Mr. Chairman, I was very interested in the exchange between the hon. Minister of Finance and the hon. member for Yorkton-Melville, particularly on the subject of sales tax. I should like to offer a few remarks in that regard.

Before my efforts are finished in committee of the whole stage on Bill C-56, I should like to have an opportunity to make a few comments on the research and development items within the bill, because I think there is some poor advice and arithmetic behind the recommendations of the Minister of Finance.

When good legislation is presented to the House, it has no trouble receiving fair and good examination from the opposition and has no trouble getting through the processes; but when the government mixes good items with bad items in legislation, as it has in this bill, then its only resort to get on with the business of the House is to invoke closure, so it thinks. Closure was a very poor decision in this case. In the last hours of consideration on second reading before the House, some 15 government members rose to speak on the bill, using up the time of the House in the period which is no longer called closure but is known as time allocation. As long as the government continues to mix its legislation with good and bad items, I suggest the official opposition will continue to do its duty by opposing such activities.

One thing which really shocked me for the first time in the four years I have been here was the statements made by the Minister of Transport the other day. He came here, disrupted the process and the proceedings on this bill and moved into allegations of the official opposition spreading lies and using its offices for the creation of hate within the country. I want to express my disgust at that type of tactic and at that use of a bill of this nature.

Some hon. Members: Hear, hear!

Mr. Huntington: Separatism exists in Canada today and separatists are in office in the province of Quebec because the people of that province rose against a government which had allowed levels of patronage and political behaviour to go beyond the bounds acceptable to Canadians.

Some hon. Members: Oh, oh!

Mr. Huntington: That is what caused the political turmoil in this country today.

The Deputy Chairman: Order, please. I suggest the hon. member get back to the bill under discussion, Bill C-56, clause 1.

Mr. Huntington: Mr. Chairman, I am right on the bill and right on the clauses of it.

Also I was very interested in an article which appeared on page nine of the *Ottawa Journal* dated Tuesday, June 6, 1978. The article contained a good picture of the Minister of Finance with his Irish jaw right out, his lips firm and his characteristic strength showing. The article is entitled: "Private sector lacks initiative, Chrétien says". The Minister of Finance is quoted

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extensively throughout the article. He compared the tax system in Canada to the systems of other industrialized countries and the United States. In part the article reads:

Canada's over-all tax burden as a percentage of gross national product was 32.7 per cent in 1977 compared with 30.8 per cent in the U.S., he said. That is in the middle rank of industrial countries.

Corporations pay a lower level of taxes on their income in Canada than in the U.S., he added, while personal income taxes are higher here.

"Corporation income tax as a percentage of book profits totalled 35.2 per cent in Canada last year," Chrétien said. "In the U.S., it was 40.2 per cent."

"In the manufacturing sector, the typical Canadian corporation enjoyed an advantage of almost 10 percentage points."

Chrétien added that indirect taxes, such as the manufacturers' sales tax and custom duties, are relatively high in Canada. But the sales tax is generally not charged on exported goods and therefore favours firms competing internationally.

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One has to ask the Minister of Finance, after a statement such as that, with the kind of publicity we can all see in that headline treatment, why so much entrepreneurial capital and industry is leaving Canada and this beautiful environment the minister so aptly described. There is something wrong. It says right here that our tax brackets and everything else are right in line. Something has to be wrong when hundreds of millions of dollars of entrepreneurial capital are leaving this country. This represents industries that could create payrolls in Canada in the right environment. They would stay here and be fostered and nurtured and add strength to this country. What is happening to the fibre in Canada if all that the minister stands up and says as far as tax brackets are concerned is "Right on" and "We are in the middle rank"? Something is wrong.

The drafters of the tax legislation in this country are just not familiar and have not had any experience with the world of work. They still do not realize that wages in this country, no matter who is paying them, come from one basic function, and that is a function of adding to the value of goods.

The other thing that has happened in this country is that since 1952 when the Benson tax cut came in and the economists that were part of the Carter commission got their way under a minority government, supported by the NDP, the decision-making base of the business sector in Canada has been destroyed. Ever since 1972 all this government has been able to do is monkey-wrench the tax act, change the rules of the game and try to correct the inequities that legislation brought into place. That is the tragedy in Canada today. There is no decision-making base for the private sector.

We hear the Prime Minister, the Minister of Finance and other members in the government party mouth platitudes about service to the private sector and the small business sector. We have just heard a great announcement on the part of the Minister of State for Small Business about all the things they are going to do for small business. Why is that necessary?

The government has changed a basically simple tax act to one of the most complicated monsters in the industrial free world. That is where our problem is. We keep having these amendments come in, these ways and means bills and budget speeches, such as we have seen in Bill C-56, and all they do is