

*Taxation Reform*

ahead and do it now. You could give a good deal of relief by increasing the exemption for children, for instance, by \$100. That would give interim relief to taxpayers who are finding it tough to meet their obligations. Or, better still, if you want to provide real equity, then give a tax credit. That is far more equitable than a tax exemption. If you have a \$400 increase in tax exemption, everybody gains that. The man who earns \$3,600 a year has an additional \$400 for himself and another \$400 for his wife. I am not complaining about him. But the man who earns \$50,000—and there are very few of them—and the man earning \$25,000 or \$35,000 get the same. On the other hand, if you give them an equivalent tax credit, everybody having the same amount, it will be worth a great deal more to people in the low-income group. It will mean a great deal more to them than to those in the high-income group. That is a fairly complex matter, yet it seems to me if equity is the aim of this tax system, the tax credit system is preferable to a system whereby tax exemptions are increased.

We have no complaint about the principle of an allowance for working parents, although this will mean that a few more worms will come out of the can. My complaint is that this provision is to be applicable only to parents with children under the age of 14. What about the single working person who has an aged dependant? How many women in this city are supporting an aged parent and have to hire a nurse or someone to come in to look after a bedridden mother or father? They cannot obtain relief at all. The white paper does not provide equity in respect of working persons with dependants for whom money has to be put out as an expense of going to work. Therefore, as I say, it is short on that point.

I do not disagree too violently with the idea of a capital gains tax in certain limited categories, but why on earth pick on the family home? Why make a person a lifetime bookkeeper? Why place him in a position where he will have to value whatever paintings or works of art he may have? Why should he have to obtain a receipt when he buys something, and keep it? In addition, of course, this proposal will discourage the man who wants to be a proud and responsible homeowner and who would normally keep up his property, not necessarily by spending money on it but through not letting the home run down. He will have a more expensive property as a result, and he will get hit for it.

What is this \$1,000 a year allowance for occupancy? What nonsense! Is this \$150 for maintenance an allowance of some sort?

• (9:10 p.m.)

Why go after the family home for capital gains? The only people who will gain from this will be the evaluators, because it will become essential to obtain a proper evaluation for the so-called V-Day; otherwise you will be caught. What about capital gains, in view of the present scale of the estate tax? I say, do not save now, do not invest now because it will all be taken away. Surely when the minister speaks about this five-year evaluation in widely-held Canadian companies, he realizes that everyone will get out of widely-held Canadian companies. Who will act as the arbiter of what is a widely-held Canadian company? Will it be the stock exchange? A widely-held company has to be one that can meet the requirements of a stock exchange listing. On this basis people will have to dispose of some of their stock or they may lose control of the company. This, again, will be a deterrent to Canadians.

I suggest to the minister a course of action taken in some other countries, that is, any time you have a roll-over of stock in a resource developing company, there shall be no capital gain tax so long as the investment is in resource development stock. Let the minister try that for size. I am offering this suggestion to the minister because I wish to be constructive. I believe this is the experience in Australia where people are investing in their own resource development companies; they are participating in the improvement of their own industries. My time is limited, and therefore—

**Mr. Knowles (Winnipeg North Centre):** You still have time.

**Mr. Lambert (Edmonton West):** The initial order was for 20 minutes on this motion. I will speak for 20 minutes and will give other members, particularly those on the other side, an opportunity to speak. I should like to hear members of the finance committee speak seriously about some of these problems. I am sure they have received the same kind of letters as I have. Let us put forward these views now. The minister has opened the whole subject matter of the white paper. I think that much of this debate should not have taken place under the rules governing the reference of a paper or a document to a committee, which allow for limited debate only. The minister