

Income Tax Act

rated in the Canadian economy since 1963. There was no need to usher in a grandiose, so-called fundamental tax reform bill if you were merely dealing with ordinary, minute housekeeping measures which arise from the erosion of the value of the Canadian dollar.

The bill has another major purpose, as I view it, which is to attempt to plug gaps in the income tax—in other words, to try to catch income tax evaders. Going back to the previous point I was making, raising the income tax exemption levels is an example of the housekeeping changes to which I have referred. With respect to plugging the gaps in income tax avoidance we might mention such things as the surplus stripping that was going on, particularly in resource corporations, in recent years and the proliferation of corporations that was being used as a device to achieve low corporation tax levels. But this is not the fundamental reform that was intended when the whole process of tax review began some nine years ago. Neither does this measure, as I understand it, deal with the basic necessity of achieving the goal of equity as between taxpayers.

• (5:00 p.m.)

I shall endeavour to demonstrate, as will other hon. members, that rather than removing inequities as between taxpayers, the bill increases them in certain important areas of the Canadian economy. On that basis alone I would suggest that the amendment proposed by the official opposition is more than justified. This is not fundamental income tax reform; it is propaganda, electioneering and tinkering with the Canadian economy. This has been the custom and the policy of two recent Liberal administrations from the time of the honourable Mr. Gordon to the present regime of our Minister of Finance (Mr. Benson).

Mr. Baldwin: What is his name?

Mr. Dinsdale: He has various names but I will not use them other than to refer to him in this House as the Minister of Finance.

Mr. Muir: Thirty-buck Ben.

Mr. Dinsdale: We have another major reason for supporting this amendment since the United States government shocked Canada and the whole international monetary community with its initiatives to save the value of the American dollar. If the government of Canada was confused before this event, its reaction since can only be referred to as a state of panic or chronic shock. The *Financial Times* referred to the reaction of the government in face of this unanticipated event. It might have been anticipated in light of the goading by the Minister of Energy, Mines and Resources in his famous Denver speech not too many months ago, but obviously the government had not anticipated the response of the United States.

The *Financial Times* writes that the government was "bleating like lambs in the midst of a world cataclysm". The *Toronto Telegram* used a similar figure of speech. There is a certain uniformity in this because it is drawn from the animal kingdom. It described the government's reaction as "running around like chickens with their heads cut off".

[Mr. Dinsdale.]

The government might have anticipated what was going to happen. The Leader of the Opposition (Mr. Stanfield) had been warning the government and Canadians generally that the situation with respect to the American dollar and the American economy would require rather emergent action on their part. The government of Canada had been adopting an attitude of shrill nationalism that was bound to bring some sort of reaction from the government of the United States.

I can recall in recent months direct and continuous hints of barriers being raised against United States capital as well as United States culture. There was a discussion in the parliamentary Committee on Broadcasting, Films and Assistance to the Arts about the content restrictions being imposed on the media by the regulations of the Canadian Radio and Television Commission. The initial regulation would have made it impossible for Canadians in isolated Communities to receive by means of cablevision signals emanating from broadcasting stations in the United States. This was a direct assault on American culture in Canada and shows the confused thinking of the government.

Seventy-five per cent of the people in Canada, particularly in major centres like Montreal, Toronto, Quebec, Hamilton and most of the major urban centres in eastern Canada could pick up these signals directly from the air. The only way to implement the program would be by electronic jamming, a method usually resorted to by totalitarian states. Apparently it was only the rather isolated communities in western Canada that had to be protected from the painful influences of American culture.

This regulation has been changed and we hope that by debating these measures in the House of Commons the government will be persuaded that what it has done in the economic sphere is similar to what was happening in the cultural sphere. It was flying in the face of reality. With this in mind if we are to resolve the chronic economic dilemma precipitated by the American economic initiatives we shall have to take the realities of the situation into consideration.

The Minister of Energy, Mines and Resources is in the House this afternoon and offers comment from time to time. Perhaps he will take part in the discussion. If he does not, I hope he will return to the United States and undo the damage caused by his famous, or infamous Denver speech. As one newspaper commentator put it, "He indulged in the game of kicking the Yankees on the shins". This is fine and legitimate as a political game. Speaking as a westerner, I am all for Canadians developing a reasonable degree of nationalism. Western Canadians do not have the same attachment to the emotionally shrill nationalism that has been doing so much damage to the Canadian economy as do certain other parts of Canada.

The Canadian government has been blowing hot and cold in these matters. There is a Biblical phrase that says, "Because you are neither hot nor cold I will spew you out of my mouth". The government must take a stand; it cannot be vacillating from one pole to another on this matter of nationalism. At one time when the Prime Minister speaks on behalf of Canada he sounds like a continental isolationist, and at another time when the Minister of Energy, Mines and Resources speaks he sounds like a