

*Income Tax Act*

oil companies that the recommendations of the Carter commission to correct the completely unfair way in which they are treated would not be implemented for four, five or more years at the earliest. The minister rejected the whole package approach of the Carter commission when he did this.

The minister again today tried to suggest that those of us who are urging the implementation of the bulk of the recommendations of the Carter commission are in effect urging increased taxation on the ordinary taxpayer. The minister said that our suggestion would have this effect. I do not know how the minister can say this with any degree of honesty when the whole point of the Carter commission recommendations is that up till now people in the low and middle income brackets have been paying more than their fair share of taxes and the people in the upper income bracket have been paying less than their fair share. The whole problem the Carter commission attempted to meet was the unfair approach to taxes in this country which it said should be reversed so that people in the upper income bracket would pay their fair share of taxes.

● (4:30 p.m.)

Surely the fact that both the C.N.T.U. and the Canadian Labour Congress urged in their submissions to the government this month that the government implement the recommendations of the Carter commission is proof enough that they recognize, as we have, that the implementation of the Carter commission recommendations would benefit the people in the lower and middle income brackets. Both these organizations called for that. Let me bring to the attention of the minister, although I think he was present when these submissions were made, what the C.N.T.U. said. He can find it on page 11 of their submission. They said:

The C.N.T.U. supports the objectives of the integrated tax plan proposed by the Carter commission. According to this plan, the maximum rate of taxation on personal income would be reduced to 50 per cent and the present tax credit of 20 per cent on dividends would be abolished.

As the commission pointed out, taxation of all revenue at the same rates would end certain procedures employed because they reduce taxes and not because they increase the total revenue of the enterprise.

If the minister were to look at just this recommendation of the Carter commission, he would be right in saying that it reduces taxes. However, the minister conveniently forgot to refer to the other recommendations of the

[Mr. Orlikow.]

Carter commission such as the one that a tax on capital gains should be imposed. I think the minister knows better than most members of parliament and better than the ordinary citizens of Canada just what the failure of past Canadian governments and of this government to implement a capital gains tax has meant. It has meant that the mining and oil companies and all the resource industries have been able to save tens of millions of dollars a year in taxes.

The Carter commission said that mining and oil companies should have their depletion allowances removed because 85 per cent of the benefits of such allowances go to eight mining companies, most of which do not need this incentive. The removal of these exemptions would provide a minimum of \$150 million a year to the treasury. If the Minister of Finance is worried about meeting some of the bills of the federal government I suggest that instead of putting a 5 per cent surtax on income tax he should go after the people who have the money, namely, the mining and oil companies. Some members of parliament will say that if this is done the rate of growth of these companies will be slowed down. I notice the hon. member for Yukon is nodding his head in agreement.

**Mr. Sharp:** May I ask the hon. gentleman if he is referring to the hon. member for Skeena in these remarks?

**Mr. Orlikow:** I do not have to refer to the hon. member for Skeena. He has been here long enough to establish a reputation of being able to look after himself. He does not need protection by the member for Winnipeg North. If the Minister of Finance has an argument with the hon. member for Skeena they should debate in their own time what the hon. member for Skeena is purported to have said and what he did not say. I will let the hon. member for Skeena look after himself.

**Mr. Sharp:** The hon. member should argue with him, not with me.

**Mr. Orlikow:** I do not think so. I want to say this with reference to the mining companies. Almost unlimited amounts of potash have been discovered in Saskatchewan and the potash industry is growing very quickly. I suggest to the Minister of Finance that what we have done by our wayward treatment of the mining companies is to encourage them to develop at a much faster rate than this country needs. The result has been that the price at which the companies can sell potash has