are important in this context, but ideas requiring political judgment, value judgments, in an attempt to ensure that as far as possible our tax system is based on equity. I hope that as this debate proceeds we can focus attention on the detail which emerges from our clause by clause study in such a way as to show that the present tax system is grossly unfair.

• (4:10 p.m.)

When I look at this bill I think of the way members of this House feel and the feelings of the people I represent. I am sure this reflects the feelings of the majority of the people in Canada. The wage and salary earners of this country look at the proposed tax system represented by Bill C-259 with a view of what it will do for them. It will do precious little for them. It does include a long overdue increase in exemptions, but this does little more than put us back into the position of 12 or 14 years ago. It does not solve some of the problems that exist.

We in this party have pointed out on many occasions that our wage and salary earners are being grossly discriminated against. An individual who derives his income in the form of dividends or returns on capital investment is in a preferred position. The wage earner has to pay tax on his entire income. The wage earner is not only discriminated against because he must pay tax on his entire income; he is discriminated against to the extent that someone else does not pay his full share. These individuals have to pay a higher share because others are required to pay a lower share. This system is destroying the economy of our country.

We are in a critical period in respect of trade and the discriminatory practices recently imposed by the United States. We do not blame the United States for what is essentially a problem in respect of our own economy. If we want to see the problem clearly we have only to look at our old tax system and the continuation of its provisions in Bill C-259. Throughout the history of Canada our tax system has been devised to stimulate the export of raw materials. It has been designed to provide concessions in the way of depletion allowances and tax holidays for new mines. The mining industry pays only a fraction of the tax it should pay and only a fraction of what is being paid by the manufacturing industries in this country. As a result we are inducing people to go into this industry to a greater extent than the normal market forces would dictate, certainly to a greater extent than any sensible or national policy would indicate.

We are faced with a situation in which we are exporting raw materials and importing manufactured goods. When we attempt to export manufactured goods, our greatest exporting customer, representing more than 70 per cent of our export market, says it does not want them and takes discriminatory measures. That market will accept our raw materials and is very glad to do so. It is also happy that we continue a tax system which encourages the export of raw materials. The effect of this policy is to provide an enormous bonus to U.S. residents and the U.S. government. Canada is a very good source of cheap raw materials and profits for foreign investment.

We might think this was not the situation a few years ago, but that is not the case. One might think that among the amendments suggested by the government we would find one to remove the exemptions and the depletion allowances granted resource industries. Such an amendment would have indicated clearly to everyone that Canada no longer intends to continue being a source of raw materials for another country.

In the report of the Science Council of Canada it is stated in startling terms that Canada cannot be both things, a manufacturing country and a developer of raw materials. We must make a choice. This government in its tax bill has made a choice. We are to be an exporter of raw materials. This is the reason we got into the present mess. I am surprised there is not an amendment to wipe out the concessions to resource industries. We in this party intend to take a very strong position in urging the government to realize that this nation is being destroyed by its tax policies. The government should realize that the economy of this country is being frustrated by the continuation of special privileges to the mining and oil industries.

My remarks have been reasonably brief and I conclude on this point. As has been pointed out by many members of this House, the bill before us seems to be more concerned with a minority of people in this country who are engaged in business. We are taking part in an elaborate charade to satisfy this small, vested interest which has been receiving concessions over the years. It is time we paid more attention to the problems of the vast majority of Canadians.

[*Translation*]

Mr. René Matte (Champlain): Mr. Chairman, I want to speak now on behalf of all my fellow citizens who are just as puzzled as we are by the lengthy bill we are to study clause by clause today.

Mr. Chairman, I feel there is a fundamental principle we should stop to consider. It is sometimes advisable and often even urgent to make changes, but this should not be done merely for the sake of change. I fail to see why, in the prevailing economic chaos, facing the tremendous problems that come up in the fiscal field, there should be such irrational haste to bring about massive changes at one fell swoop.

If the study has really been made in depth before bringing in these changes, we certainly would not be witnessing this situation where the government itself does not understand the techniques and changes involved in its own bill. Suffice it to consider the great number of amendments that the minister himself has just tabled to prove this point as well as the large number of errors that have to be corrected.

It is obvious, Mr. Chairman, that the government hastened to make these changes as a result of the economic chaos that we are experiencing. It seems that the government has taken this action because of the need for it, because elections are coming, in order to throw something in the eyes of the people to fascinate them. But, since the odd provisions of this bill that could really help some of our fellow citizens are submerged under all kinds of other items which will bring in with one hand what has been given out by the other, therefore, we must admit that the minister is throwing dust in our eyes.

The whole solution to Canadian tax problems proposed in Bill C-259 is inappropriate. That is why several of the