

*Business of the House*

and the logic of the concern of the two secretaries of defence which I mentioned, is fully understood and appreciated by the Government of Canada as a whole?

**WATER RESOURCES****ESTABLISHMENT OF NATIONAL ADVISORY COMMITTEE**

**Mr. Mark Rose (Fraser Valley West):** My question is directed to the Minister of Energy, Mines and Resources. In a sense it is supplementary to the question asked by the hon. member for Prince Edward-Hastings (Mr. Hees), as it deals with national water standards. On October 16 the minister stated that an advisory committee would be formed after consultation with the provinces. I also asked about this matter on February 25. Can the minister tell this house if to this date there has been any progress on this very important issue?

**Hon. Otto E. Lang (Minister without Portfolio):** The consultation with the provinces is still the issue if we are to proceed toward a committee, along the lines of the original intent. There has been no positive progress either toward a date or the appointment of the committee.

**BUSINESS OF THE HOUSE**

**Hon. J. A. MacLean (Malpeque):** Mr. Speaker, I wish to ask the government house leader if he has anything to add with regard to the business for tomorrow?

**Hon. Donald S. Macdonald (President of the Privy Council):** Yes, Mr. Speaker. There is some basis for hoping that Bill C-191 will be dealt with this afternoon. If this happens, we will then call the following items at the report stage, and then for third reading. First, item No. 63, Bill C-183 with respect to the Export Development Corporation; second, item No. 66, Bill S-29 with respect to oil and gas production and conservation; third, item No. 64, Bill C-184, respecting Telesat Canada. Following those items today, or if necessary tomorrow, we propose to call item No. 84, the motion for second reading of Bill C-202 with respect to area development incentives.

On Monday we propose to call the order for the continuation of the budget debate. Pursuant to the special order made earlier, we will remain on the budget motion until Thursday.

[Mr. Stanfield.]

• (2:50 p.m.)

**GOVERNMENT ORDERS****INCOME TAX ACT**

The house resumed, from Wednesday, June 4, consideration in committee of Bill C-191, to amend the Income Tax Act.

**The Deputy Chairman:** When the sitting was adjourned yesterday, clause 27 of the bill was under consideration.

On clause 27—*Social development tax.*

**Mr. Nystrom:** Mr. Chairman, yesterday I was in the process of making a few remarks with regard to the government's social development tax. I had suggested to the committee that the minister should consider removing it from the bill.

I believe most Canadians will agree that the social development tax is one of the most regressive forms of legislation we have seen this year. As I have already stated, it established a ceiling of \$120 on the tax. People with incomes of \$6,000 will pay just as much under this new tax as those with incomes of \$40,000, \$50,000 or \$500,000 a year. It is difficult to justify this type of taxation in our present society. When such a tax is implemented by the government, it makes people ask what kind of priorities the government has in mind or what it recognizes as being most important. It makes one wonder whether the government is giving top priority to the people, regardless of their social or economic background.

Last night I stated that this tax reminds me of a Robin Hood in reverse theory because most of the money is collected from the lower and middle income groups, while Members of Parliament, for example, with salaries of more than \$18,000 a year do not have to pay any greater amount. The implementation of the social development tax emphasizes the real need in Canada for over-all and immediate tax reform in all its aspects. The hon. member for Vancouver-Kingsway mentioned a number of items that should be included in tax reform.

I ask the Minister of Finance to consider seriously taking the Carter commission report out of the wastepaper basket and looking at some of the more progressive proposals that it advocates. The government talks about inflation. How will we curb it? Will we do it by imposing a social development tax on those in the low and middle income groups who will