

Income Tax Act

be a very good thing to recognize Red China at the United Nations, but I do not see what is accomplished by excluding Taiwan.

• (4:00 p.m.)

An hon. Member: A bogus country.

Mr. Nesbitt: Somebody said it is a bogus country. It is not the government of Mainland China, but certainly it is a *de facto* country. Speaking about bogus nations at the United Nations, what about the Ukrainian Soviet Socialist Republic, or Byelorussia? One of the delegates at the United Nations told me that their foreign office consisted of one room in a grocery store in Minsk. Where we see evidence of this type of double-standard of morality at the United Nations, some of the pious platitudes we hear from certain quarters of this House and elsewhere become a little disgusting. I suppose that if Taiwan, by some miracle, became a Communist country, we should not hear that sort of thing; there would be impassioned claims that it was entitled to a seat.

The Chairman: Order. The Chair has so far been able to follow the hon. member, but perhaps the thread of relevancy is a little thin. I would ask the hon. member to turn to the bill before us.

Mr. Nesbitt: I thank Your Honour for bringing the matter to my attention. I was merely referring to the government's China policy at the United Nations and suggesting that perhaps it was not pleasing the United States administration. The government has apparently gone out of its way to antagonize the United States. The matters at issue are not of great importance to this country. People on the government side are pulling feathers out of the eagle's tail for the hell of it, so to speak, and the result is that now, when some Americans feel that tough economic rules have become necessary, they do not listen with a very open ear to objections from this country, as they might have done in other circumstances.

A week or two ago a number of Congressmen visited this country. One of them was reported to have said, "You people don't want to co-operate with us any more; you want to go your own way. Why, then, are you running around asking for special favours from us?" I do not think that is the attitude they should take, but one cannot blame many Americans for feeling this way, bearing in mind all the occasions upon which this government has gone out of its way to antagonize the United States.

Whether we like it or not, we are tied to the Americans and we must make an attempt to bring about a general reconciliation with that country before we can hope to get at least the surtax removed. For a long time we have been taking pot-shots at the United States. Now they are starting to do the same thing to us. It is like the situation in Europe before the First World War—countries drifting aimlessly into a major war. There is no question here of a military war, but we are drifting toward an economic war which is unthinkable, and we must do something about it.

Mr. Saltzman: Mr. Chairman, like most members of this House I like to think of myself as a humanitarian. When I look up into the press gallery and see that great array with arms on chin, I wonder how much attention is being paid to this debate, to the amendments which came in

today and to the fact that in so much of this discussion we have been concerned about details which by and large do not reflect the aspirations of the ordinary people of Canada and do not really deal with their interests in any direct way.

The other day I was talking to one of my constituents. He was asking me about the income tax changes. I said there were over 700 pages in the bill. His reaction was, "All for little me? Do you mean I am so terribly complicated that my affairs, the money I make, the less than \$6,000 I earn, the few deductions I am allowed for my children, require over 700 pages of legislation?" The answer, of course, is obvious. Scarcely anything in this legislation deals with the affairs of the ordinary people of this country. Virtually the entire legislation is taken up with attempts to deal with the shenanigans of business and the way in which business affairs are arranged, or with the affairs of the wealthy and the management of their estates.

Rather than attempt to bring in a simpler taxation system which would deal in an equitable way with the affairs of all our taxpayers, we have chosen to accept the continuance of an inequitable system, codifying it again and going through complex gyrations in order to accommodate particular interests and, possibly, to make its impact somewhat less onerous.

This is the situation with which we are dealing. To realize this fact one has only to consider the evidence given before the committee which was set up to consider this subject. Where were the representatives of the multitudes of Canadians, appearing to state their case in favour of tax reform? Mr. Chairman, virtually the entire proceedings were taken up by the special pleadings of representatives of those in Canada who have always had it made. Representatives of every major industry, every major interest, appeared, with few exceptions, to put forward their case. They were perfectly entitled to do so. I am not saying they should not have appeared or that they should not have been heard. But their presence was indicative of the tax system as it exists. If we were concerned with the affairs of the ordinary person, our taxation system could be greatly simplified—the bill could run to 50 pages and still be more than adequate.

But this is not the point of view we have adopted. We are continuing to take the attitude that business knows best and that the role of government is to accommodate itself to the business system, making sure that none of the structures which have been built up in the business world are altered in any significant way. I believe this approach is wrong. Not that I think business is wrong: I believe there is a legitimate place for business, as there is for many of the things which are done in our society. But the majority of the people in a democracy—and, after all, in a democracy they are supposed to get some consideration—are being ignored. The debate in this House is irrelevant for that reason.

The kind of subjects we shall be talking about, the type of housekeeping amendments which have been introduced, probably do not affect more than 1 per cent of the population. Perhaps with the exception of the changes in the situation of the credit unions, nothing of any significance is taking place as far as the basic preoccupations of the people are concerned. It is not technical matters which