

Income Tax Act

In opening, some of my remarks will be of a general philosophical nature. I have followed with interest all the task forces and commissions, the Carter report and reports of the Commons committee and the Senate committee that delved into this very detailed subject. Mr. Speaker, this mytosis developed over nine years ago, before I came to this chamber but it may be going on when I leave—who knows in this day and age of political mortality?

Mr. Mahoney: Yes, indeed.

Mr. Nowlan: I will put my political mortality against that of the hon. member for Calgary South (Mr. Mahoney) any day of the week, and I certainly have no hesitation in putting my political mortality as far as this tax bill is concerned against the member for Calgary South any day of the year.

I should like to go back in a serious way to this general point, which has surprised me. Every conceivable suggestion for reform has been made. Different schemes have been advanced, proposals have been considered, we have had the white paper and now the tax bill. There is only one group of people who will benefit from this bill, and they are the professionals, be they the professional tax lawyer or professional tax accountant. I do not think even they welcome it, though, because they are still pretty confused about what it means.

In all this gestation period no one has mentioned something that I have wondered about. When I mention it I know there will be catcalls from the other side. I say we are going back to the dark ages. I submit that if tax reform is going to be so complex that the average taxpayer will be left so far out in the field and lost in the tax jungle that he cannot fill out his income tax return, we have to be more fundamental than Mr. Carter was in his tax report. I suggest that instead of a tax bill that has so many exemptions, exceptions and rules and regulations as to make it almost beyond comprehension, we will have to start at square one.

We will have to watch and question why it is not possible in this day and age of advanced social concern, when we have plans and programs to help and protect the individual in health, in welfare and areas of government involvement which were not even considered when income tax was introduced during the First World War, to go back to square one as far as income tax is concerned. I predict that before I am dead and gone some type of straight line tax policy will be adopted by some government, rather than a progressive income tax with all the exemptions, exceptions and bewilderment that this document contains.

An hon. Member: Not likely.

Mr. Nowlan: Some one says "Not likely," and at first blush some obviously could say it is not. By straight line tax rates I mean some flat percentage across the board, without exemptions, without exceptions, without deductions, without expenses that can be fiddled with. It is not so unreasonable, Mr. Speaker, because where government has involved itself so necessarily in the affairs of the

[Mr. Nowlan.]

individual in order to provide the basics I think we should be able to look anew at this whole question of tax reform.

In other days when someone suggested a flat rate or straight line tax rate it was regarded as heresy because at that time it obviously benefited the rich and did not help those without financial means. The Prime Minister (Mr. Trudeau) has shied away from government support programs and an integrated income incentive program. He is as scared of that as a colt is with a kitten. Where government has necessarily and legitimately involved itself in health plans, welfare plans and pension plans, providing the basics with a proper income incentive plan or a negative income tax plan to provide a base level for an individual, we should look at the other side of the scale. Instead of getting a tax bill that will only benefit those who can employ a professional tax man or a corporation that can set up a tax plan to avoid income tax to work around almost any tax plan, we should start at square one when trying to review our tax system.

In the area of capital gains, I wonder why there cannot be discrimination in favour of Canadians so that there is no capital gains tax for Canadians investing in Canada, rather than the cumbersome, complicated and wholly inadequate means set out in this bill.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

EXTERNAL AFFAIRS—TRANSMISSION TO UNITED STATES SECRETARY OF STATE OF THIRD REPORT OF ENVIRONMENTAL POLLUTION COMMITTEE AND CONCURRENCE OF HOUSE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on June 23 I asked the Secretary of State for External Affairs (Mr. Sharp), following representations by myself and others, if he would communicate to the Secretary of State of the United States the report of the Committee on Environmental Pollution, a special committee of this House unanimously approved by this chamber, and if, in reference to the proposed trans-Alaskan pipeline with all its hazards for Canada the Secretary of State for External Affairs would present to the United States government this powerful indication that someone in Canada cared about the matter and that the people's representatives herein assembled supported them in their views. It was a very serious question.

● (10:00 p.m.)

We live in an age where there is some concern, thank God, about the exploitation of our environment by those of us who enjoy it and live upon it; but as is often the case, the people were and are more sensitive on this matter than their government and the legislative body, more alert than the power-loving executive of this nation. The report of the Special Committee on Environmental Pollution, a document of first-class importance