

swagon. In that respect the tax is proportionate and not regressive.

What was the second question? I have forgotten it.

Mr. Riis: Geographical.

Mr. Nickerson: There is a certain amount of truth in what the Hon. Member for Kamloops-Shuswap says. It is a matter on which I have spoken on several occasions. This is especially true with regard to goods which are manufactured in remote areas of the country with high transportation costs. If you manufacture something in the south for a cost of \$100 and then ship it into a remote area at a transportation cost of \$100, your total cost is \$200 plus sales tax on \$100. However, if you brought the components into the northern area of the country at a transportation cost of \$100 and manufactured it there, your cost would then be \$200 plus tax on \$200. Therefore, there is certainly a serious element of truth in what the Hon. Member said.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, the Member for Western Arctic (Mr. Nickerson) is a candid person who speaks his mind and appreciates truth. Since there is so little participation in this debate by government Members and members of the Official Opposition, it is valuable to have an intercession like his in which he points out some truths. I want to investigate some of those and conclude with a question.

As the Hon. Member says, this legislation is largely the product of the previous Liberal Government. He does not worry very much about that, although he gets in a few shots. That is a matter of considerable interest for us because it suggests that conformity of opinion on vital matters which affect Canadians every day of their lives as they spend, seek to maintain their lives, and face a heavy burden of taxation in one area while watching others get off scot-free. Later in this debate I would like to explore what the consequences of that might be.

Past Governments in the early 1970s launched themselves on a particular course of action which all too often won the support of the Official Opposition. Now that the former Official Opposition is the Government, it is following the same course of action. It is proposing this legislation for our support without any great uneasiness about it, even though there were warnings from others about it and even though, during the election campaign, members of the Conservative Party expressed great concern about the consequences of that action if it were carried out by the other Party. This conformity of opinion between the Liberal and Conservative Parties is surely a matter of enormous concern to the Canadian people who did not vote to have Conservatives pass this kind of tax legislation rather than having Liberals do it. Surely the Canadian people have hopes for prosperity that require some fundamental reconsideration of tax policy rather than passage by the other Party of the same kind of legislation.

There was just a hint in the comments of the Hon. Member, Mr. Speaker, that we might see a change in the next Budget. I

would be interested to know what reason there is for thinking that the Government is going to change direction in tax policy.

Mr. Deputy Speaker: Could I ask the Member for Western Arctic for a brief answer, if possible.

Mr. Nickerson: What reason is there to expect changes in tax policy? Mr. Speaker, there are all manner of reasons. Over many years in this House and outside we have stated our intention to have a more equitable system of taxation in Canada which generates interest in business and increases employment opportunities. We ran an election campaign on that. We received a great mandate from the people of Canada. Since coming back to the House there has been a Speech from the Throne which said precisely the same thing. There has been an economic statement issued by the Minister of Finance which outlined the procedure we would follow leading up to significant tax changes in the next Budget. This is all part of the process. The people of Canada can certainly have every expectation that fundamental changes in the approach to taxation will be made by the new Government.

Mr. Deputy Speaker: The period for questions and comments on the Hon. Member's speech is now over. We shall now resume debate with the Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, in the few moments remaining I would like to say that never before in the history of the Canadian Parliament have we seen such a rip-off perpetrated on the primary producers of eastern Canada as has been the case with the present Government. The measures that were introduced in the financial statement of the Minister of Finance (Mr. Wilson) and in the cuts tabled by the President of the Treasury Board (Mr. de Cotret) have removed money from the pockets of our primary producers across the country.

All of a sudden a Bill comes along, for which we are asked to be thankful, which is supposed to provide a small rebate on the excise tax. Actually it is an increase on the rebate of the excise tax available to primary producers. The Minister of Agriculture (Mr. Wise) says that we should thank the federal Government on behalf of the primary producers for this great act of recognition of our primary producers in the country. At the same time, Mr. Speaker, primary producers are faced with the highest increases ever in their cost of living and in the services which are supposed to be provided by the Government of Canada.

I will call it one o'clock, Mr. Speaker.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.