

Income Tax Act

1971, they will capitalize 50 per cent of the production, which is nonsense. This is where the minister should intervene. There is too much capitalization in relation to the volume of our production and consumption.

On the one hand consumption is too low, and on the other hand capitalization is too high, which results in lack of balance between production, consumption and capitalization. Once again, it is not production which is at fault, and yet all the efforts of our governments are directed at encouraging production, automation, and manpower retraining. As a consequence, we produce more but consumption is low among certain social classes. We refuse to acknowledge the real cause of inflation. We try to produce and export more rather than promote an increase in the purchasing power of the people, who go on living in poverty and insecurity. In fact, about 60 per cent of Canadians are unable to make both ends meet.

When the government attempts to balance its budget it does so at the expense of family budgets. These budgets must show a deficit so that the government's budget be balanced. That is not a logical principle of government, Mr. Speaker.

Therefore I urge hon. members not just to be critical this year and during the coming year. I am not just being critical, I am trying to find what is wrong. We must work in order to reform our inadequate institutions which are all out of kilter. We have to restore normal and sound balance in order to provide Canadians with a decent life within a country which is bursting with great riches.

* * *

• (3:10 p.m.)

[English]

BUSINESS OF THE HOUSE

Mr. Jerome: On a point of order, Mr. Speaker, yesterday the government House leader announced that Monday's business would be Bill C-244. I think everyone in this House knows that discussions are taking place between the federal agricultural minister and the agricultural ministers of the western provinces. I wish to report to the House—and I have so advised the House leaders opposite—that these discussions may continue. In that case, rather than call the agricultural bill on Monday we will continue with the measure now before the House. The House leader will endeavour to notify opposition House leaders as early as possible on Monday.

* * *

INCOME TAX ACT

The House resumed consideration of the motion of Mr. Gray (for Mr. Benson) that Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law relating to or consequent upon the amendments to that act, be read the second time and referred to the committee of the whole, and the amendment thereto of Mr. Lambert (Edmonton West) (p. 7763).

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I want to

[Mr. Latulippe.]

enter the debate today and say a few words about the tax bill on which so far I have been silent, a course of action I thought I might follow to limit debate on this subject. However, I find hon. members on the other side of the House talking on and on and I think it is time something was said about bringing this debate to a close.

It is ten years since the Carter commission was first formed. In that ten-year period there has been a full and complete examination of the taxation system in Canada. We Canadians have gone through a good deal of agony as we have performed one of the most painful of all self-examinations, that of pulling out our wallets to see the condition they are in. It upsets Canadians. While the examination has been salutary, it is time we got on with the business we set about ten years ago.

We have heard in the last few weeks in the House arguments from members of the Tory party on the evils of taxation. We have heard for many months, if not years, moralizing and inaccuracies from the New Democratic Party on this subject. We have had lectures from the Social Credit Party on monetary theory. I suggest it is time to bring these specious arguments to a close and to get on with the business for which we are here.

This bill is designed to provide alleviation or elimination of tax for about 5.5 million Canadians. I suggest that this alone makes the discussion and the study we have conducted more than worthy to complete consideration of the measure. There are some legitimate arguments to be made about the bill. Matters need discussing in committee. It has been suggested the bill is complex, that it will be difficult to administer and understand. I think that is a legitimate argument and complaint about which we have had full discussion.

I think it is obvious that any tax bill is complex. The people who make such a point are those who never look at taxation bills. They have never tried to understand the complexities that exist in them and the ins and outs that it takes an expert to understand. They are not aware that Canadians who have engaged in the business of advising other Canadians on tax law have had to engage in years of study to become knowledgeable of the law and its loopholes. The basic training of a chartered accountant takes in the neighbourhood of 5, 6 or even 7 years. About the same length of time is required to train a tax lawyer. After all this formal training it takes further years of practical application and specialization to become knowledgeable about some parts of tax bills, and even then the most expert of experts are only knowledgeable about certain parts of a tax bill.

Therefore, I am not surprised that the bill is complex or that hon. members find difficulty in understanding it. I have the same problem. I am not surprised that tax lawyers or tax accountants are annoyed that they will have to relearn their professions all over again. This is unfortunate, but we must contend with it. It is a necessity arising out of changing such a large and difficult piece of legislation. Nevertheless, if we are to bring about the reforms that Canadians demand and are asking for, and if we are to provide an alleviation of the tax of 5½ million Canadians, the effort involved in creating the changes is worth our attention.