

mists alike in a mass of regulations from which many can see no exit at all.

We are all familiar with the comments by the tax experts associated with the Canadian Bar in respect of the complicity of this bill. These are serious technical criticisms specialists in the field are making, Mr. Speaker. When we are dealing with technicalities in the field of taxation we must realize that technical problems turn quickly into human problems. If this law is unintelligible to tax experts, how much more frustrating is it going to be for the ordinary taxpayer and especially the professional men and women and small businessmen and women who are already wound up in miles of red tape?

These small enterprises in Canada did make some headway between the white paper and the present bill, but that will not do them much good if businessmen have to keep a chartered accountant or a tax specialist constantly on hand to advise them every time they turn around. That surely is not the kind of tax reform the Canadian people want and it is not the kind of tax reform the Canadian people were promised. They were promised greater simplicity and what the government has produced is simply greater chaos.

That seems to be pretty well the unanimous opinion of everybody outside the government. I note that both Canada's leading business weeklies, the *Financial Post* and the *Financial Times*, are now suggesting that the only solution is to delay, if necessary, the practical implementation of this bill. I may say that does not mean the government should delay measures for the immediate tax relief of those on lower incomes. There are other ways to do this than by a bill such as this.

Even if we forget the drafting errors and the complexities, and look beyond them to the substance, it is already clear there are questions which will have to be examined extremely carefully. Of course we are pleased by the almost immediate relief, though it may well be temporary, which will come to Canadians at the bottom end of the income scale. We on this side have been urging such measures for some time and we certainly accept them now.

This bill as put forward is a long-term measure, at least that is what the government says, so we have to look at the long-term effects of it. They are not so favourable to Canadians on lower incomes. The ones who are going to be hit hardest, without any doubt, are the hundreds of thousands of middle and lower income Canadians who, after possibly one or two years of temporary relief, will find themselves in a worse tax hole than ever before.

When we consider the natural and constant growth of cash incomes in Canada as a result of inflation, collective bargaining and promotion on the one hand, and on the other hand the steeply rising rates of taxation once somebody is on the tax rolls under this new bill, it becomes clear that this so-called tax reform is not going to operate to the benefit of any group of Canadians for very long. In the long run this so-called reform package is really a sham. That is what the government will not admit but that is the truth of the matter; the bill is a real sham.

Take a look at the position of small co-operatives and credit unions. They will find themselves denied their former position of encouragement under this proposed

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legislation. There is a good deal of concern in those organizations about the legislation and we in the opposition are certainly going to take a good look at this aspect of this bill. We must not lightly allow any new law to change the whole nature of the co-operative and credit union movements.

**Mr. Muir:** What has the minister from Nova Scotia to say about that?

**Mr. Stanfield:** If it is true, as alleged, that the cumulative effects of this legislation would be to place a discouraging burden on the co-operative and credit union movements, this would certainly be a blow against the whole spirit of co-operatives in this country. The co-operative and credit union movements must not be killed and they must not be crippled by any hastily, ill-conceived measure. We in the opposition intend to make certain this does not happen.

We shall have to take a close look at the question of capital formation and the taxation on capital gains as well. Certainly, the present bill is an improvement over the white paper in this regard, but we want to know what the effects of this proposal will be, for example, on the family farm. We shall certainly reject any attempt by this government to sneak into a tax bill any measures designed to further weaken the position of farmers in this country, because this government has already done far more than its share to destroy the way of life in our farming communities. There comes a time when we have to attempt to call a halt to this process. That time is just about now, if it was not yesterday.

Furthermore, we want to know how the provisions of this bill will affect Canadian ownership of the Canadian economy. This is, of course, a matter of continuing or, indeed, permanent importance, but in the present circumstances when the whole question of the future contribution of United States-owned subsidiaries to the Canadian economy is being raised by the actions of Washington, such as in the proposed DISC measures, this question is especially vital. Let us make no mistake about it. If the DISC program goes through Congress, there will be tremendous pressure upon United States companies operating in this country to concentrate their production in the U.S.A., and we shall be the losers. We should be doing everything reasonable as the Parliament of Canada to encourage Canadians to participate in our own economy, and that is the point of view that we are going to take in looking at the details of this bill. That is the right point of view for us to take and that is the right point of view for this country.

Another serious problem is the relationship between the capital gains tax and the question of duties on estates. This leads us directly into the larger question of relationships between the federal government and the provinces in the field of taxation. It is clear there will have to be a massive re-adjustment in tax laws of the provinces to fit them in with any new federal tax package, this or any other package which may be adopted. Take for example the two great provinces of Quebec and Ontario. They will have to make fundamental amendments to their respective personal and corporate income tax laws if they are to be at all consistent with the proposed legislation we have before us.