

*Income Tax Act*

opportunity for those people who would go to work if they were able to find jobs. The Economic Council of Canada has stated that we lost about \$3 billion last year. Let me remind the House that if these people were working a great deal of that money would have found its way back to the treasuries of government, federal, provincial and municipal, in which case we could have initiated some plans, social and economic, of the kind all of us would like to see. But we seem to follow blindly the same old policies year in and year out.

• (4:20 p.m.)

There are many other things that could be said about the tax system that we have in this country which, as I have said, is one not based on equity but on inequity. Unless we do something soon, a lot of the people in this country are going to lose faith with the governmental system we have at the present time. For years we have been talking about the poor people, how sorry we are for them and how much our hearts bleed for them, yet we never seem to be able to do anything for them or to change this society that creates the conditions in which they have to live.

I was quite impressed by a speech made by Doris Power of the Just Society in Toronto to the Senate Committee on Poverty, and I should just like to quote a sentence or two. She said:

—the poor have been studied all too well, but nobody has yet told them why they were poor. We demand that the committee study the nature of oppression in this country, not the oppressed.

I think this statement is a very relevant one and illustrates how we should set about tackling some of the problems plaguing us in Canada. We can sympathize all we want with the unemployed, we can quote all the figures we want, but all to no avail; what we must do is change the society that has deliberately brought about unemployment and forced the poor to live the way they do.

There are a number of other matters with which I should like to deal, and one has to do with the way the legislation treats the resource industries of Canada. I am concerned, as are members on both sides of the House, about the favoured status that we give the resource industries of Canada. I suggest all of us should take note of the speech made in the House last week by the hon. member for Duvernay (Mr. Kierans), who expressed a great deal of concern about the government's economic policies and how they were favouring the resource and extractive industries of Canada over the manufacturing industries. We must make changes in our taxing policy so that special incentives and tax concessions are withdrawn from the mining industry and other industries that today are reaping the benefits to the exclusion of the Canadian people. We should also implement a capital gains tax in the same way as income is taxed in Canada. Why go only half way? Let us have a capital gains tax on 100 per cent of the gain rather than on 50 per cent. Why does the government make the value judgment that income earned from investment or capital gain is more important than income earned from toiling in a factory or teaching at school? Yet this is the kind of value judgment that is made, capital gains being taxed at 50 per cent rather than at 100 per cent.

[Mr. Nystrom.]

May I deal with one other matter before resuming my seat? I should like to add my voice to others who have already expressed concern over the affect the provisions of this bill will leave on co-operatives, credit unions and wheat pools in Canada. As most hon. members know, I come from Saskatchewan where the co-operative movement has played a very important part in our history and in the development of the province. People from all walks of life and political persuasion have involved themselves in the co-operative movement in Saskatchewan. The co-operative movement is important to these people because through it they are helping themselves. They are doing something to better themselves. I think that the co-operative movement has served a useful purpose not only to the members of the co-op but to communities in rural Saskatchewan. Therefore, I join with others in urging the government to reconsider its taxing proposals in regard to credit unions and co-operatives.

Once again, may I reiterate that this legislation is not tax reform. The bill before us does nothing except tinker with a few small changes, like raising exemptions and widening allowances for expense accounts. I say it is about time we stopped fooling around and playing games with each other and really got down to the business of changing our tax system, basing it on equity for everyone, regardless of how they earn their income, whether through investments, capital gain, or by working in a factory. Our tax system today is based on inequity. It is based on the premise that people are more valuable if they are rich, if they make their money from investments. Indeed, they are rewarded for doing so. This assumption is a wrong one, one that has to be changed if we are to do something meaningful for the ordinary citizens of this country. These are the people I am worried about, the average worker, farmer and small businessman. I have no concern at all for the millionaire, for directors of huge corporations or mining companies. It is about time that those boys started to pay their fair share. If they were to do so, the entire country would be better off. The ordinary citizen would then have a chance to reap some benefit from this country rather than just the selected few. It is about time that we discarded socialism for the rich and free enterprise for the poor and began to return to our senses.

[Translation]

**Mr. Charles-Eugène Dionne (Kamouraska):** Mr. Speaker, according to the information given in the speech made by the Minister of National Revenue (Mr. Gray) on behalf of the Minister of Finance (Mr. Benson) at the outset of the debate on Bill C-259, one realizes that it took 10 years to prepare this reform.

Preliminary studies and research started as early as in the late 50s. Governments even changed during this period of reflection. The Carter Commission was instituted, hearings were held by this commission, debates took place, white papers and reports were published, which explains to some extent this voluminous bill of 710 pages. One regrets that a less complicated bill could not have been drafted. Most Canadian taxpayers, besides having to hand part of their earnings over to the Minister of National Revenue, will require the services of accountants, and