possible, that more time has not been provided for study of the tax reform bill by taxpayers and their advisers.

Why is the government not giving the Canadian people this time by dividing the bill so that its exemptions and benefits may help individual Canadians in the lower brackets now, and so that its confused aspects may be digested and straightened out before they become law and not afterwards? Consider for a moment the small business incentive that the government has included in the bill. While the legislation provides a low rate of corporate tax for small businesses it has replaced the former rule, which was relatively simple and easy to comprehend, with new criteria which only high-priced legal and accounting advisers will be able to understand. The same situation applies to a majority of the provisions of Bill C-259. The government, with this bill and its verbose authors, seems to be determined to create an impression of efficiency. Rather, it will create litigation and a high demand situation for expensive tax advisers. I seriously question that these results should be the major by-products of a so-called Canadian tax reform bill.

At a time when jobs in Canadian industry are threatened not only by this government, but by the likely withdrawal of American markets and investments, the government is giving priority to passing this tax bill which does not provide sufficient incentives for the Canadian economy to expand on its own initiative. Moreover, the government is compounding the American actions, which this government did much to invite, by introducing in this tax bill measures designed to discourage Canadians from investing in their own economy. It is obvious that much Canadian money now abroad will not be repatriated. Rather it will be re-invested in jurisdictions where there is no capital gains tax, or a more favourable one. Much domestic money will seek to follow. The prospect of the withdrawal of both American and Canadian investments in this country and resulting unemployment should cause this government to pause for reflection before proceeding with certain aspects of this bill.

Many Canadians actually welcomed the idea of the introduction of a capital gains tax in Canada, not those who invested in stocks but those who invested in other areas, such as land and mortgages. They took it for granted that the rate would be no higher than the American rate of 25 per cent, if as high as that, and that any investment capital gain made outside of one's principal business would henceforth be taxed at the capital gain rate and all investors would therefore know where they stood in advance of accepting the risk. The investor's principal business at the time of investment alone would attract tax at the personal rate. This is the way it should be, but apparently it is not the way it is to be. This government wants to take all the joy out of life for Canadians with ambition.

Astonishingly enough, but perhaps not unexpectedly, the fact is that the government has failed to explain to the Canadian people exactly what a capital gain is. What definition there is consists of definition by exception, and that makes for an even greater ball of wax than before the proposed change. The present unjust common law precedents are often arbitrarily, unsatisfactorily and unevenly applied. They have been the cause of continuous and bitter litigation and are not specifically removed or displaced by this bill. There has been no attempt to change this unfair situation by presenting to this House an adequate definition.

[Mr. Ryan.]

Let me quote from A Review of Canadian Tax Reform by Riddell, Stead & Co., Chartered Accountants:

> The Bill does not introduce a capital gains tax as such but is so structured as to include in income "taxable capital gains" (one-half of most capital gains) and to permit the deduction of "allowable capital losses" (subject to specific limitations, one-half of certain capital losses). The expression "capital gains" is defined only by exception—they are gains on dispositions of property other than those that would otherwise be included in computing income, and other than those from the disposition of goodwill or nothings, mining or oil properties and rights, and life insurance policies. "Capital losses" are similarly defined but the exclusions are extended to losses on depreciable property which are dealt with under the capital cost allowance rules. Because income is not specifically defined either, the differences of opinion between taxpayer and tax collector as to the nature of the gain will continue, diminished in intensity only by the fact that what is at stake has been reduced from the difference between full tax rates and zero to the difference between full and half tax rates.

And what about the longtime Canadian taxpayer who in his declining years wants to settle in a more southerly clime? He is not going to be too happy about the provisions of clause 48 of this bill. I do not want to get into the provisions of this clause at the moment, but certainly it should be either reformed or tossed out before the bill is studied in the committee of the whole.

I would like to say a few words about the parsimonious tax reform the government has provided in the bill in relation to child-care expenses. I could not agree more with the member for Fundy-Royal (Mr. Fairweather) when he said that the exemptions are not large enough.

To begin with, the government has restricted the deduction for child-care expenses to $500 per child, and a maximum of $2,000 per family, or two-thirds of family income, whichever is the lesser. To me, it is incomprehensible to find a maximum set in this respect. This is surely one area in which payments are made solely for the purpose of earning income. Surely, the group which most needs encouragement and help is the group which includes working mothers, particularly those who are obliged to go out to work to help maintain large families. Furthermore, $500 will not provide day care for a child for a year in any urban or suburban area in this country. The minimum rate in Ottawa is $20 for a five-day week and it is likely higher in the larger cities. But, say it is $20. The deduction should be doubled. I say that the proposed deduction is unrealistic, parsimonious and inadequate. Since babysitters will be required to give receipts and become liable to pay income tax in the future, it is likely they will increase their charges by way of compensation or, as an alternative, withdraw their services.

• (4:20 p.m.)

Furthermore, the people who provide most child care services are either relatives or neighbours. The government has decided that the proposed deduction shall not be available in cases where services are provided by dependants of the taxpayer or relatives under 21. Mr. Speaker, as long as the payment is actually made and the services are actually performed, why should a person under 21, who is a relative, be discriminated against? I trust this unfair situation will be remedied at a later stage.