

extent the tax will also be a considerable amount. It is not as though the money were available. I have no quarrel where the land is sold to an outsider and there is money available, but in many cases when the land is transferred from an individual to a descendant, either by way of a corporation or a direct transfer between individuals, these people who presume they are clear because of this legislation are going to be caught.

This whole thing is a mess, and it was my hope that the Minister of Finance would have seen fit to clear it up when he had the opportunity to do so at the time the legislation was before the committee of the whole. That is why I would hope that even at this late date he might reconsider and accept the amendment before the House.

It would not take long to clear up the problem that has been referred to by the hon. member for Capilano (Mr. Huntington), myself, and several others. I know I speak on behalf of all hon. members who represent farming areas in western Canada, including the hon. member for Wetaskiwin (Mr. Schellenberger). He has been vitally concerned with this from the beginning. In fact we had a discussion recently as to how one could establish the definition of a corporate family farm that would qualify.

I hope the minister will take this legislation back to the committee of the whole for a few hours in order that this confusion can be cleared up. These people would then not be caught in what could be a horrendous mess.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the budget is one of the major tools of government in achieving full employment, providing jobs for all those who want to work. One of the major goals of a tax system, of which income tax is one of the most important facets, is the moving of a country to a more equitable situation for all people. In both these objectives, full employment and a more equitable society, this government has failed miserably. Whether one looks at unemployment in terms of the number of people out of work or the percentage of the labour force unemployed, we have the greatest number and the highest percentage since the great depression years of the 1930s. We have one of, if not the highest, rates of unemployment in any of the industrialized countries of the western world.

● (1542)

In May of this year, the last period for which we have figures, there were, according to Statistics Canada, 933,000 unemployed. This amounts to an increase of more than 100,000 over the same month in 1977, and it means that 8.4 per cent of the labour force is without work. In our two largest provinces, Quebec and Ontario, more than 300,000 people were unemployed, and if one looks at the rate of unemployment in the Atlantic provinces one can only characterize it as a disastrous situation. The official figures of Statistics Canada indicate that 18.5 per cent of the labour force in Newfoundland is unemployed; 10.8 per cent in Nova Scotia, 13.6 per cent in New Brunswick. Those are the official figures, Mr. Speaker, and, as every member of parliament knows, there are several hundred thousand people who are unemployed but who

are not being classified in this category by Statistics Canada because they are not now actively looking for work. They are not looking for work because in their areas, for example, New Brunswick, Cape Breton Island, or Quebec, there is no work to be found.

However, instead of dealing with this very serious problem which is so important to some people in this country, we will in the next year be spending a major part of our time and effort in debating the questions of a new constitution and a new House of Federation, which, I submit, will be of little real importance to most Canadians in any part of the country, including Quebec.

Instead of dealing with the problem of unemployment, and instead of an expansionary budget which would get the economy moving, as recommended by organizations as diverse as the Economic Council and the C.D. Howe Institute, we get a minor tuning of the economy through the minister's present budget, which has already proven that it is unable to achieve the 5 per cent increase in the gross national product that was predicted by the minister when it was brought down.

Instead of an income tax system which is fair and which treats income from wherever it is derived as taxable income, we get a system so full of loopholes that the other night the minister had to urge members of the House to pass the section dealing with the registered retirement savings plans on the promise he would fix the loopholes which had been brought to his attention, at some later date.

In terms of using the income tax system as a means of moving toward a more equitable society in which Canadians who live in a state of poverty would see some improvement in their situation relative to other groups in Canada, virtually nothing has been accomplished by the government in the past 25 years. Professor Gillespie of Carleton University's economic department, in a study for the C.D. Howe Institute published this year, said:

—the federal government has not improved the economic position of the poor relative to the highest-income families during the 1970s. The social legislation of the early 1970s failed to improve the relative economic position of the poorest families. Tax reform provided modest benefits for lower-middle-income families relative to the poor and to the highest-income families, but it did not substantially alter the distribution of income.

He went on to say:

Federal budgetary policies during the 1970's have not redistributed income from the highest-income families to the poor . . . Thus it was not the poor and needy who were protected from the "ravages of inflation", during Mr. Turner's tenure as minister of finance.

I would add, Mr. Speaker, nor under the guidance of the present Minister of Finance (Mr. Chrétien).

Some members of parliament, particularly Liberal members, may not believe Professor Gillespie. To those members who may have doubts about what Professor Gillespie indicated, I suggest they read a speech made by the present Minister of National Health and Welfare (Miss Bégin) to a conference of YMCA's less than a month ago. I would like to quote a couple of sentences from this speech where she said that little has been done for the: