

For a Canadian corporation earning less than \$50,000 this year, there is a tax increase over 1972 of 7 per cent.

• (1600)

Some members who were not here at the time will not remember, but those of us who were here during the debate on Bill C-259 remember that during an emergency debate on Wednesday night, October 14, the then Minister of Finance announced a tax cut from July 1, 1971 of 3 per cent for personal income tax and 7 per cent for corporations across the board. No one has mentioned that. All the attention has been turned to a tax cut of 9 per cent for the manufacturing and processing industries. Actually, it is less than that. It is 4.5 per cent. It goes back from 50 to 40, although the statute provides for 49, so on a percentage basis, it is a 4.5 per cent tax cut. What about the rest of the corporations? What are they saying to the government? Do they realize they will have this tax increase for 1973? Every little trucking firm, paint contractor, house builder, corner grocery store and any other similar organization in Canada with the initials "Ltd." behind their name, or in the province of Quebec, "Inc.", will have their taxes increased by 7 per cent over 1972.

Now, we see just how much concern the minister has for small business under these circumstances, how much concern we will see in 1973 because a great deal of small business is incorporated. They are not all the ogres the hon. member for York South (Mr. Lewis) seems to mouth. A man and wife running a grocery store may be incorporated. The hon. member for York South says "They are the villains of the peace. They are the corporations. They are the ones." I am surprised about the concern of the Minister of Finance in his 1972 budget, and again in his February budget, to get the economy going when everybody is going to have to pay 7 per cent more corporate tax. That is a great stimulus to business? My eye, it is. It is a great stimulus to inflation. There is no way that any business is not going to pass on tax increases to every Tom, Dick or Harry, the consumers.

A municipality may decide to raise assessments or impose higher taxes for municipal services. This may be to increase salaries for the administration or for education. Some of these are rather astronomical when compared with salaries of members in this House. If they do that, the money will come out of your pocket, Mr. Speaker, and mine. That is the place from which it is extracted.

We wonder about the pressures of inflation in this day and age. It is the older people and those on fixed incomes who have to bear the brunt. They are not able to pass on the hot potato of inflation. They are the ones who must pay. What concern is there in the May budget and the February budget for those people? We traversed this ground in the budget debate, but I remind hon. members there is no help for the elderly and those below the exemption levels.

The minister can boast all he wants about increasing exemption levels, but it does not do one iota of good to the person who is below the exemption level. It is worse than Marie Antoinette's reference to cake to say to them their exemptions are being increased when they are already \$500 or \$1,000 below the exemption. What good does it do them if the exemption is increased? That is the kind of

Income Tax Act

concern we get from this government when it comes to income tax changes.

The minister will get his bill in due course, but I wish to advise him that my colleagues want to talk to him about family farms. According to the minister one has to die to pass on a farm within the family. If the health of the farmer has broken, he cannot retire in decent honesty at age 65 or 70 and pass on his farm to his son. Oh, no. There is a deemed realization at that time. There are also other areas my colleagues will talk about.

As we debate all these nice provisions to tidy up the deficiencies of Bill C-259 and clarify the act, I hope the minister will be here with his officials to give this House and the country the fullest possible explanations. This is a big volume. It has to be as good and as clear as the rest of the act. It is a tough act. I wish some other changes were being brought in to alleviate the lot of the taxpayer from an administrative point of view, but we have not seen them up to the present time. The government has not yet quit patting itself on the back for having introduced these tax reforms. The government has compounded many sins. I think we will be here for some time, Mr. Speaker.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, as the hon. member for Waterloo (Mr. Saltsman) used to say, it is a great pleasure to follow the hon. member for Edmonton West (Mr. Lambert). I can assure the minister that I will be taking a slightly different tack regarding taxation and the bill before us today. Bill C-170 contains approximately 130 or 140 pages outlining, as the hon. member for Edmonton West stated, several changes to the tax laws of this country. Primarily and basically, it deals with a number of changes regarding individuals, ordinary people. It increases the exemption for pensioner, for example, from \$650 to \$1,000 and provides for exemptions to students in post-secondary institutions. It also provides for medical expenses, such as ambulances and so on, and there are some legislative changes regarding farm write-offs, such as capital gains when a farm is transferred on the death of the farmer either to his son or his daughter. These farm items are important, and other changes could be made. The minister knows our position and the hon. member for Saskatoon-Biggar (Mr. Gleave) will be elaborating on it a little later.

• (1610)

Since the bill deals primarily with individual items, I and my party feel it important to pass the measure as expeditiously as possible through second reading and through the other legislative stages in this House. We feel it is important that individual citizens receive the benefits contained in the bill. However, I do want to make one or two arguments about taxation and about the record of this government in that field in order to emphasize the position of our party. We are placing emphasis on the individual taxpayer, the average guy, and ask that he be given a better tax break. In turn, this would stimulate the economy more effectively than would giving tax breaks to corporations through the proposals of the minister in connection with fast write-offs and a reduction in corporate income tax.

I think that the fallacies in our taxation system have been outlined many, many times in the past. We had the