

*Income Tax Act*

government, but on behalf of the Canadian people who have to pay such bills I say it was a most devious action by government members. Through experience we have learned to constantly watch for this type of action.

Any tax consultant, tax expert or anyone who has made a life study of the tax system in Canada can only reach one conclusion from viewing this tremendous volume before us. It is not tax reform; it is simply a change in the basis of taxation. Although the Parliamentary Secretary to the Minister of Finance very carefully pointed out the fringe benefits, namely that some individuals in Canada will immediately have an apparent abatement of taxes, the whole thrust of this tax measure is to again increase to a tremendous degree the actual taxes paid by Canadian taxpayers.

**Mr. Mahoney:** Nonsense.

**Mr. Danforth:** The parliamentary secretary says "non-sense". This is another indication of his responsibility in office, but the Canadian taxpayers will learn to their sorrow that there is an increase in taxes. As far as the ordinary man is concerned, there are, as pointed out by the hon. member to my left, very beautiful concessions to the upper end of the scale, those earning \$200,000 and more, but the working man will have to pay for these concessions. It is all right for the minister and his parliamentary secretary to say that millions of taxpayers will be taken off the roll with the increase in exemption, but I challenge the minister to state in this House that those same millions of taxpayers will not be back on the roll after January 1. I do this for two reasons. First, unemployment insurance is to become part of the taxable income. Second, the rate of taxation on the first \$1,000 of taxable income will be such that I wager the result of the change of the basis of taxation will be that the government will make money, perhaps to the extent of \$30 million. That is not a tax concession, Mr. Speaker, it is a deliberate tax increase.

When we see that this is the policy of the government in every facet we look at, we have to be cautious. We cannot do as the government says and merely let this bill go to committee in order to get on with the business of the nation. If the economy of the nation continues to be guided by these policies, there will be no point in getting this bill through because there will not be any business in this nation. All small businesses today are faced with near bankruptcy. The matter of the United States surcharge is just an added straw on the back of the camel. It is utterly ridiculous for the parliamentary secretary to stand in his place and say that the economy was booming before the surcharge came into effect. It is equally ridiculous for the parliamentary secretary to state that the unemployment figures were decreasing before this United States surcharge.

The unemployment figures decreased because this government tried to buy that decrease. The government spent \$67 million to take the students off the streets so that they would not register as being unemployed. They did not want these students to be looking for jobs and registering in the unemployment offices. If that happened, they would be included in the statistics that would hurt this government. The government would rather use the taxpayers' money for a short-term effort to remove these

names from the unemployment insurance roll, but the inevitable has now happened.

Today the Prime Minister (Mr. Trudeau) expressed grave concern and anxiety over the fact that enrolments are down this year instead of up. He said that the government is going to look into the reason for this. The answer to why young students are not enrolling in colleges today is simple. They do not have the money because jobs were not available. It is as simple as that.

**Some hon. Members:** Hear, hear!

**Mr. Danforth:** To suggest there is a trend indicating that young Canadians do not want an education to the same degree they did one year ago is sheer nonsense. These young people know the value of an education, and that is why hundreds of thousands of them are attending school. The fact that enrolment is down is another reflection of what is actually happening under the economic policies of this government. That is why I am impatient when those in the government ranks ask us to rush through legislation, say we are impeding progress and holding up the exemption these people may get. If we honestly believed that this government wanted people to have exemptions and that this tax reform would be such that they would have less taxes to pay, it would be in our interest as a political party to rush this measure through the House. For them to tell us that we would lose favour with the electorate if we dare oppose their will to drive this measure through the House is nothing but arrogance, to use a word which has been justifiably applied to them over the years. There is no other word for it. This explains their attitude, their policy, their day to day program. This is why they constantly talk about filibuster. If there ever has been a word which is overworked by members on the other side of the House, it is the word "filibuster".

• (4:00 p.m.)

**Mr. Nielsen:** Bring in the exemptions alone and we will pass them.

**Mr. Danforth:** That is true. As my hon. friend says, if the government will bring in the exemptions separately we shall be delighted to pass them; there would be no hold up in this House. We have asked the government time and time again to reduce the taxes levied on corporations and individuals, burdens which are tying this country in an economic knot. People talk about Canada being subservient in economic terms to Japan, the United States and the European Common Market. For Heaven's sake, turn the Canadian economy loose so that we can go in and produce jobs instead of binding our hands by policies which have proved to be wrong, policies which cannot work. This is all we ask. This is why we have brought in the amendment which is now before the House, not to impede but to plead with the government to change its policies so as to be in favour of the people of Canada who members opposite profess to serve.

**Some hon. Members:** Hear, Hear!

**Mr. Lorne Nystrom (Yorkton-Melville):** The Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) made a few comments earlier this afternoon on the bill before us and I was somewhat provoked by one or two of