

Taxation Reform

home worth, say, \$32,000 goes up at least \$2,000 a year and the owner would have to pay taxes on half of it.

It would be an interference with freedom. No longer could an owner change homes every five or ten years as his family changes. He would be nailed down to the same home for life. It would be no answer to say he can go into an apartment. Apartments are now being converted to condominiums, and the prices of condominiums are following the prices of homes.

In conclusion, Mr. Speaker, I wish to repeat the warning that appraisers will be overburdened with evaluations of commercial and other income properties without touching homes.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, on reading the white paper proposals for tax reform I came to the conclusion that anyone in the business community, in fact any citizen of Canada who wished to ascertain what the government proposed to charge individuals to reside in this country of ours, this so-called land of the free, should consider the white paper required reading in order that they will understand the ramifications of the proposals for tax reform.

● (4:00 p.m.)

It is my considered opinion that the citizens of Canada do not fully understand the proposition of the government under this heading of tax reform. As a result of all the publicity in the media and the advance propaganda that has been put forward by government members, the citizens have understood that the government was embarking on an investigation and a study, the prime purpose of which was to institute a tax reform. I believe the people understood the term "reform" to mean there would be an attempt by officialdom to bring some consistency out of the chaotic condition of taxes at the various levels of government. I believe they felt the prime purpose would be to make a more equitable basis of taxation for all the citizens of Canada, to close the loopholes and ensure that everybody paid a fair share. In this way there may be some hope of tax reduction, especially for those overburdened with taxes at the present time.

One does not have to look at this paper before us for very long to realize that it does not cover that aspect of tax reform. By the admission of the Minister of Finance (Mr. Benson) himself, the paper is nothing less

[Mr. Chappell.]

than a carefully worded economic document which will, in the main, increase by millions of dollars income tax derived from the citizens of this country. In my estimation it is not a proposal for tax reform. As far as the middle class wage earner is concerned, the farmer and the fisherman, in reality it is not tax reform but confiscation by taxation. Time and time again when this government has wished to pursue its policies on any controversial subject raised in this House, it has pointed out that the action taken is as a result of a mandate of the people of this country. I contend that the government has no mandate for these proposals for tax reform. Their mandate in 1963 was on the basis of a balanced budget without tax increases; their mandate in 1968 gave no promises but stated that there would be balanced budgets and that things would be different under the just society.

Let us see, Mr. Speaker, what an investigation of the "balanced budget" and "no increased taxes" means. Since this government took office in 1963 we have had an increase in income tax; we have had an additional surtax; we have had a social development tax; we have had a corporate refundable tax; a tax on building supplies; a compulsory tax for the Canada Pension Plan; a tax for the Canadian Medicare plan and, in addition, the introduction of a new estate tax. All that these proposals do for the people of Canada is indicate still more taxes at a higher rate. I think the government is moving away from the basic principles of taxation. I have found, as I am sure other hon. members have, that Canadians are willing to pay their fair share. But when we consider that in addition to federal taxes the people must pay provincial taxes, municipal taxes, all types of sales taxes both apparent and hidden, the tax burden is very onerous indeed.

It seems to me, Mr. Speaker, that the primary purpose of government is to raise funds by taxation for the purpose of accomplishing those aims and objects, of providing those goods and services which cannot be obtained by the action of the individual, the municipality working in concert or by the province itself. With this in mind, the government should set down certain guidelines to see that expenditures do not exceed revenue. This is not the case today. With the competence of the new IBM machines and the ability to mechanically forecast future trends, it seems to me the object of the government should be to take into account average expenditures