

*Income Tax Act*

revising our tax system has beset Parliament for a number of years and now the government has brought forth this bill.

Our party is concerned by the fact that this is a long-term program, as shown by the introduction of the white paper. We have asked that this bill not be read a second time because it is primarily based on the recommendations and policies of the government as enunciated in the white paper. We are dealing with a premise, a policy, a blueprint laid down months and even years ago during the consideration of this matter. We have seen tremendous changes in the economy of Canada, not only in the last few years but in the last few months. In studying these tax measures, and knowing the basic policies laid down in the white paper, we are well aware that the concept of tax reform presented by the government has led to this major piece of legislation, the main thrust of which is intended to offset the economic indicators we face today. We are well aware that in this context it will not be effective in dealing with the major problems facing us.

There is nothing in this tax bill that will counteract the tremendous climb in unemployment in this country. Members on all sides of the House are concerned about people who cannot find jobs. In this particular measure that we are seized with, and there is no doubt that we will be seized with it for some time because of its complexity, there is no solution to this basic problem. Tied in with the problem of unemployment is the problem of inflation which has reared its ugly head again after assurances from the right hon. gentleman opposite that it was licked, but there is nothing in this bill to deal with it specifically and quickly. That is why we are asking the government to reconsider and, if possible, to incorporate into the bill specific clauses and principles directed immediately to these major problems.

I could mention other problems that could be covered in this bill such as, for instance, the rapid expansion not only of major industries but of minor industries. We do not find the emphasis on that. We do not find the emphasis on the development of our mining industries or national resources. We do not find specific measures designed to increase our secondary industries and to retain in Canada the processing of many of our raw materials before export. We do not find, either, a policy to develop incentives for Canadians to provide jobs. Today in this country we need a policy to provide jobs.

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

**Mr. Mahoney:** We have it.

**Mr. Danforth:** The hon. member for Calgary South (Mr. Mahoney) says we have it. That is what worries me, Mr. Speaker. The policy we have cannot, is not and will not work.

**Mr. Mahoney:** It is working.

**Mr. Danforth:** That is why something needs to be done.

**Mr. Stanfield:** Let us not see a breakdown if that policy is working.

• (3:40 p.m.)

**Mr. Danforth:** Mr. Speaker, in my deliberations this afternoon, I do not propose to get into specifics on the

measure before us but to deal with the principles set out in the amendment. The ordinary taxpayer, and I am proud to be one of them, today is mainly interested in knowing how much money various levels of government will extract from him. Taxpayers are concerned about how much money they will have to spend on what they consider to be their living expenses, and how much of their earnings will be left after deductions? That is what the ordinary man is concerned about, as well as the ordinary lady who goes to the supermarket to do her shopping. They ask, "How much have I left, and how much will my money buy?" In addition, the ordinary man or woman is worried about inflation and higher costs.

How many thousands of Canadians, Mr. Speaker, are worried by the terrible thought that, "perhaps next week I shall not have a job"? The emphasis today seems to be on people who have no jobs. Yet far too many families face the terrible anxiety that, just over the horizon, may lie the loss of a job, especially when they see productivity in an industry slowing down, when they see small neighbourhood businesses closing down and when they see other, companion industries in which other members of the family are engaged, going out of business. Potential loss of a job is a tremendous hardship and worry facing thousands of Canadians, and that is why there is not the buoyant spirit and confidence in Canada at present that there was a few years ago.

Everyone in Canada, without exception, favoured tax reform; yet the interpretation of tax reform in the mind of the ordinary citizen is far different from the concept in the mind of the government. Tax reform legislation for the ordinary citizen meant a measure to uncomplicate a very complicated system of extracting money from pay cheques. They wanted the system made simpler. Also, everyone believed that if there were equity in taxation, if everyone paid his fair share, there would be no necessity for the constant pressure of increasing taxes at all levels. That is why everyone supported the idea of tax reform.

Let me say why this measure is troubling Canadians today. Even while contemplating tax reform this government, since coming to office, has imposed tax after tax and increase after increase. I am not saying the same thing would not have happened if others had sat on the government side of the House. The fact remains, however, that in the past few years this government has been directly responsible for imposing six different types of taxes. It brought them in even before introducing any so-called tax reform. Perhaps I could list these additional taxes for your convenience, Mr. Speaker.

It will be recalled that shortly after this government took office, they increased the rate of the old age supplement. No one in the House opposed that, Mr. Speaker. There was much discussion about the degree to which the old age supplement should be raised, but no one objected to the principle. As with all measures of this type, some one has to pay. There was an increase in personal income taxes. The increase went directly to pay the increase in the old age supplement. After that another tax was imposed, Mr. Speaker. It was felt that if more money could be taken out of the economy, a brake would be placed on inflationary trends. The government introduced the withholding tax relating to corporations. A certain portion of a corporation's income would be retained by