

government spending. This particular area we did not freeze. We increased the spending but not the percentage.

Mr. Speaker: Order, please. There are a number of hon. members seeking the opportunity to ask supplementary questions at this point. Other hon. members, including the hon. member for South Shore, have been waiting quite a while to ask questions this afternoon. As the question period expired some minutes ago, I have to call Orders of the Day.

● (3:00 p.m.)

GOVERNMENT ORDERS

FINANCE, TRADE AND ECONOMIC AFFAIRS

REFERENCE TO STANDING COMMITTEE OF WHITE PAPER ON TAXATION REFORM

The House resumed from Friday, November 28, consideration of the Motion of Mr. Benson (for Mr. Macdonald, Rosedale):

That the white paper entitled *Proposals for Tax Reform* tabled in the House on November 7, 1969, be referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in taking part in the debate on the white paper I might say at the outset that like other hon. members I, too, have studied the white paper. I listened carefully to the speeches made in the House of Commons on Friday, particularly to the speech of the Leader of the Official Opposition (Mr. Stanfield). It set out our position very carefully on the major items contained in that paper.

I have read the Carter Report. I have read the briefs submitted to the Carter commission by trade unions, industry, farmers and ranchers, the extractive industries, the petroleum and mining industry and professional people. As a result of that study, I have come to certain conclusions.

Twenty minutes is not time enough to analyse the complete white paper. As I said on Friday when speaking to a procedural matter, after studying the white paper and reading the briefs, I have come to the conclusion it does not actually contain a tax doctrine. It really changes the whole social being of our nation. In fact, I am not afraid to say immediately in my opinion it is a red manifesto. The government, particularly the Minister of Finance (Mr. Benson), is being very silent about one matter. The minister has made no recommendations at all with regard

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to something that lies at the very heart of our tax problem, and that is a matter for regret. I refer to the swelling volume of government expenditure.

We have heard on television and through all the other media of communication what a wonderful doctrine is set out in this white paper which I call a red manifesto. I shall have something to say about that aspect later. The government has been strangely silent about its own rising expenditures, but unless hon. gentlemen opposite discharge their responsibility for setting out strict guidelines for coping with rising expenditure the tax burden is bound to increase. It is essential that this tendency to increasing expenditure be resisted and controlled. I shall give a good example. The government makes it clear that people earning \$9,000 and upward will be called on to pay more taxes.

Mr. Stanfield: Four thousand and upward.

Mr. Benson: If you are single.

Mr. Woolliams: In 1963, the estimates of the Department of the Secretary of State amounted to \$4,788,000. By 1969 they had risen to \$342,613,000. In other words, they had increased by 6,800 per cent. If this is called a cutback, what would a real cutback amount to?

This, Mr. Speaker, is what has happened in the case of the estimates of one department since 1963. The Secretary of State is the real czar of this government. In my opinion, the government should establish guidelines and controls concerning the expenditure of the taxpayers money before it embarks on additional taxation measures affecting the wage earning and property owning classes of people as well as others.

Some hon. Members: Hear, hear.

Mr. Woolliams: What effect will these proposals really have on the poor, on those in the low income tax brackets? What effect are they likely to have on trade unionists, on wage earners generally, on ranchers, farmers and small businessmen? I say immediately that the proposals here will not really improve the lot of those living below the poverty line and I intend to set out my reasoning in this regard. Above all, I say they would seriously curtail Canadian investment and restrict the productivity from which all jobs flow and from which all government revenues ultimately flow.