

Taxation Reform

omission. We will see, and I hope we will have an opportunity to examine these proposals and the new proposals together.

There are many highly technical questions which arise. For example, there is the matter of trusts. I suspect and believe that the authors of the white paper are strikingly oblivious to many of the implications of the proposed taxation changes upon trusts and the receivers of income from trusts. This is something which I am sure the committee will have to examine very carefully. There is every indication that many questions have not even occurred to the authors of this white paper.

I should like to deal now with the extra burden the minister intends to impose on Canadians in the middle income groups. It is on this aspect of the white paper that the minister in the past few weeks has been attempting to pull off what I believe to be one of the greatest "snow jobs" of this or any other century. I think it is obvious that the minister's public relations advisers planned a campaign that is literally incredible and literally unbelievable. Worse still, they have taken the Minister of Finance (Mr. Benson) and made sort of a huckster out of him.

I think the minister would like to think of himself as sort of a Robin Hood. I do not know about that, but many Canadians are beginning to think the minister is some kind of a hood. He is trying to convey the impression that the wealthy will be taxed more heavily than the less wealthy and that the less wealthy will be better off. That is not true. The minister appears on television and talks about the powerful interests which will protest. Who are these powerful interests? The taxpayer who is single and earns more than \$4,000 a year will pay more under these proposals. The taxpayer who is married and earns about \$9,000 per year and up will pay more. These people will be surprised to find themselves classed by the minister with the powerful interests. They will be quite astonished to hear that the minister thinks they are wealthy if they earn more than \$4,000 single or \$9,000 married.

Of course any person who thinks, as the minister does, that one can live on \$30 a week—

Mr. Benson: I never said that.

Mr. Stanfield: —is bound to think that anybody with \$9,000 is rich beyond the dreams of avarice. The minister has since clarified this

[Mr. Stanfield.]

statement. He really meant that \$30 a week could be lived on in certain parts of the country. So much for the government's regional disparity policy.

I believe it is inequitable that those in the general area of \$10,000 to \$15,000 will, in most cases, be faced with a larger increase in respect of their income tax payments than those in the \$25,000, \$30,000 or \$35,000 a year bracket. At this point I wish to say I do not have one of those evil minds that would dwell for long on the fact that the minister and some of his senior advisers are in that \$25,000, \$30,000 or \$35,000 area—

Mr. Benson: What is your bracket?

Mr. Stanfield: —but I think I should tell the minister confidentially that there are a lot of suspicious people in this country. They think they hear the sound of grinding axes coming from the minister's office. I assure the minister I shall do my utmost to persuade people that this remarkable coincidence is purely accidental. What cannot be accidental, of course, is the attempt by the minister to distort the meaning of the increases because the comparison the minister attempted to draw between his proposals in the white paper and the situation of a taxpayer in the state of New York is, as the minister ought to know by this time, blatantly misleading. New York state has about the highest income tax of any major state. This was mentioned as long ago as the Carter report.

Furthermore, the minister's table took no account of the fact that a substantial tax reduction has been announced in the United States. Apparently the surtax is to be taken off and there is talk at least of further reductions. Finally, the minister's calculations simply omitted to allow for the fact that a number of Canadian provinces have their own income taxes in addition to those proposed here. In other words, he attempted to compare the lowest federal and provincial income tax in Canada with the highest federal and state income tax in the United States, that of the state of New York. I suggest the minister or whoever prepared the white paper—and the minister must accept responsibility for it—is guilty of a cheap manipulation of figures in this regard. This kind of political statistic is useless, and the use of misleading comparisons is offensive to Canadians who try to make a serious analysis of the government's proposals in this white paper.