

Income Tax Act

oppose the Minister of Finance with regard to this measure. I cannot go along with him however on the increase in the form of surcharges, but in the circumstances I do not oppose the stepped up rate of corporation taxes which does not increase the liabilities of the corporations, is not inflationary, and produces a return of a quarter of a million dollars more for the Minister of Finance. I believe this substantially helps his financial position without having an adverse effect on the economy.

As I have indicated, to date I am not convinced that the benefits of the proposed surcharges offset their detrimental effects and I believe there are alternatives open to the government in this regard. I pointed out also that the policies which would induce a more rapid rate of growth in the economy would of themselves produce more revenue for the government and would therefore help the government very substantially in a financial way.

I am most anxious to see the government attack inflation vigorously. As I mentioned, I hope the measure the minister has in mind with regard to encouraging restraints throughout the economy will be pushed vigorously and will be worthy of the support of members of this house. But I do not believe a slowdown in the economy is necessary. I do not think the economy of Canada is overheated in any sense of the word.

● (9:20 p.m.)

I believe it may be possible for us to achieve a greater rate of growth accompanied by effective policies of restraint which would increase the rate of growth and produce increased revenues for the government. I have not been convinced that the proposed surtaxes are desirable, in view of the position in which the government says the country is situated. I would go along with the proposal of the policies to step up the rate of corporation tax payments.

Let me say this in closing. Because of the uncertainties that exist, as I understand them, I believe the processes of parliament in reaching a decision should not be prolonged. This is a free parliament—and of course I am speaking for myself in this regard—but I have personally no desire to increase any uncertainties in this regard. I realize that uncertainties in this regard certainly prolonged uncertainties—might very well be evil in themselves. Therefore I believe that in all quarters of the house we should state our

position as forcefully and as persuasively as we are able, and then let parliament make a decision.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, at the outset I must say that we must give the Minister of Finance "A" for effort. He has proceeded to do what he has been trying to do all along. He has tried to sell a package of goods. He has taken a tip from the grocery chain. When they want to stimulate the sale of a package they change the package, wrapping the goods up in more fancy paper. I think perhaps we should take the fancy paper off to see what is inside, because I suspect the goods are essentially the same.

I am not referring specifically to this tax measure, because what the minister is trying to sell us is precisely the same as he tried to sell parliament and the country when he introduced the mini-budget last November. This whole thing goes far beyond that particular tax measure. The minister's package of goods is really his concept of how the government of Canada should control the economy, about which he has been so lugubriously eloquent since he introduced his budget.

The minister introduced to the committee certain goals of his own and of his government in this order: full employment, stability of prices, and equity. These are noble goals. They almost rival the *liberté, égalité* and *fraternité* of the French régime—if not "the life liberty and pursuit of happiness" of our American friends. The minister then talks about achieving these goals in a remarkable way. To achieve full employment, which is the first of his goals, he produces a policy deliberately planned to increase unemployment. Mind you, he has couched this in more euphemistic terms by saying he is allowing a certain amount of slack to develop in the economy. To achieve the goal of equity he again planned deliberately to perpetuate inequity in the taxation system, about which the government was warned so eloquently by the Carter commission. He is proposing to perpetuate this by rejecting out of hand the various recommendations of the commission which were designed to eliminate the gross inequities in our taxation system to abolish the special privileges for certain types of organizations, oil companies, insurance companies and mining companies, to name a few.