

• (3:10 p.m.)

I say in all sincerity that this is a national problem and so long as it remains with us the goal of real reform will not be realized. I am speaking of the need to link up and control federal, provincial and municipal tax burdens while developing a coherent, over-all package of tax and social security measures.

It is very difficult to comment on this measure without criticizing, and it is not my intention to be overcritical because I believe much that is good is contained in the legislation, at least as far as I am able to understand it. What frightens me is that some people may think, perhaps due to the size and incomprehensible nature of this document, that we can put a label on it such as "national tax reform" and then say our troubles are over. If we cannot develop a new tax structure which distributes total tax burdens fairly—and this means the taxation imposed by all three levels of government—if we cannot relate our tax system to our social security policies, and if our taxation system does not permit and reinforce broad national objectives such as increased Canadian participation in economic development and support of all kinds for activities on an international basis, I do not think we should delude ourselves by talking about national tax reform.

In conclusion, above all let us try to get in this country a scheme to foster incentive among the people. The people are better qualified to carry out their own decision-making than government bureaucracy. Let us try, when we study this bill, to maximize free choice for the individual.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, my intervention in this debate will be very brief. It seems to me that the amendment before us fails to concern itself with the main purpose of the bill, which is for tax reform. I remind hon. members of the long story of tax reform in Canada going back over ten years. It started with the appointment of the Carter commission by the then government, now the official opposition. The report of that commission in 1966 was in many ways a textbook document, revolutionary in its concepts and thorough-going in the way in which it applied those concepts—a model, in many ways, of the kind of tax system which might exist in a Utopian society.

The Canadian public and business community then had a considerable period in which to consider and discuss those proposals. The white paper of 1969 was an expression of what the government felt possible to achieve and in the most democratic way for any country to achieve tax reform, the government put forward its proposals and invited the people to say what they thought about them. Two committees, one in this House and one in the other place, sat for most of 1970 hearing from individuals and groups concerned, seeking the very best of what could be offered by way of improvement to the white paper proposals. Now we have the bill before us.

The business community of Canada, those who are trying to make plans, not only for themselves but for those who are to follow them, have the right to know what the results are to be for a reasonable period ahead, say ten years. I see that the hon. member on the other side is snickering, but it is a reasonable expectation and it is an objective which is before us in this bill. There is no knowing what future parliaments and governments may do or

what their monetary requirements may be. But in this bill there are certain provisions to make sure that the total demands of the government will not increase over a period of time. For instance, there are the provisions related to marginal rates of corporation tax which will go down from 50 per cent in 1972 to 46 per cent in 1976. The marginal rate on personal income tax will decrease from 17 per cent to 6 per cent.

The purpose of such provisions is to give an assurance that the intention of the government is not to increase the total amount of taxation but to implement tax reform. If a future parliament were to decide it needed more money it would have to amend the act, argue its case and obtain the support of parliament itself. I am not an expert on democratic procedures but I do not know any other way in which one could do more to ensure that those affected by tax measures have every opportunity to make their point of view clear.

This bill, which was introduced in June, was left over the summer recess for tax experts to study. I hope the House will quickly give second reading to the measure so that we can get to the clause by clause analysis. All of us recognize that in a bill as voluminous and as complicated as this one a number of amendments will be offered. I am sure they will be considered. I have read some of the speeches of my hon. friends on this side of the House and I wish to associate myself with the remarks of my friend the hon. member for Grenville-Carleton (Mr. Blair) respecting the taxation of co-operatives. The subject is a complex one but I think there is merit in the argument which he used.

The way to deal with this legislation is not to go on discussing subjects more appropriate in a budget debate or the debate which took place last week relating to the United States surtax and its effect on Canada, the need to stimulate the economy and to do something to encourage regional development. It is true that all these things are affected by taxation, but the basic objective of the legislation before us is to set ground rules for a period of time during which the business community may have confidence in the arrangements we can reach—

Mr. Lambert (Edmonton West): Whether they are good, bad or indifferent!

Mr. Francis: It is our task to make them as good as they can be. The hon. member for Edmonton West (Mr. Lambert), the financial critic of the opposition for whom I have the greatest respect, says, "Whether they are good, bad or indifferent." I look forward to hearing his contribution when we reach committee of the whole. I know his contribution will be very lengthy. We are all looking forward to it. We simply ask: Why not get on with the business? What is the purpose now of putting on record speeches which are more appropriate to other debates?

I cannot help but express regret at the errors which repeatedly are put forward in some quarters. I am not a tax expert, I am not an authority on the details of this bill, but I could not help regretting that the hon. member for Broadview (Mr. Gilbert) who has just spoken should have discussed the abolition of the estate tax without in any way linking it with the capital gains tax. As the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) pointed out, the capital gains tax has to be