

Income Tax

Some hon. Members: Hear, hear!

Mr. Stanfield: Despite what may have happened in Great Britain today, I still speak for my party for a little while yet.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): You are not worried about the hon. member for Kingston and the Islands (Miss MacDonald), are you, Bob?

Mr. Stanfield: Not for a few months. If I think that the Minister of Finance is sincere in his effort and he goes ahead with obtaining a consensus, I will have an opportunity to support him.

Mr. Hees: I will gladly do it if you will give us a chance.

Mr. Broadbent: It takes a Tory to recognize one.

Mr. Stanfield: I would like to think that my friends in the NDP would support a genuine effort to reach a consensus to fight inflation and to establish a framework which would enable us to fight unemployment. This consensus would involve fair rules for all elements of the economy—business, investors, labour, salaried people. I would like to think the members of the New Democratic Party consider it sufficiently important that they too would back a really honest, sincere effort.

Some hon. Members: Hear, hear!

Mr. Stanfield: Some honesty and some leadership and some credibility are needed. I repeat that the first objective of those in the opposition who support this amendment is to protest the government's continued lack of leadership and growing lack of credibility in the face of severe economic and social problems. Our second stated objective is to draw attention to the unconscionable increase in personal income tax revenue, which we have all seen. The history of so-called tax reform is littered with the assurances of successive ministers of national revenue and ministers of finance that the new schedule of rates and exemptions adopted under closure, I think in 1971, would not gouge the individual taxpayer.

I use the word littered in the sense that all those assurances were just so much garbage. The former minister of finance, Mr. Benson, got caught out early in the game to the tune of hundreds of millions of dollars in excess revenues which would have come into the federal treasury using the tables first proposed. But of course the government did not like to be embarrassed this way, and its attitude hardened during the debate. The all wise and omnipotent Liberals had a majority in those days, too. They used closure to flee from the embarrassment caused by the opposition. As a last word the government said that if it turned out that too much money came in via personal income tax, it would adjust things to give it back. I suggest that there could be no more appropriate time than now for the government to put its excess revenue where its mouth is.

Some hon. Members: Hear, hear!

[Mr. Stanfield.]

Mr. Stanfield: My colleague, the hon. member for York-Simcoe (Mr. Stevens), and others who have participated in this debate have pointed out the extent to which the federal treasury has wallowed in wealth, and how dramatically revenue from personal income taxation has been climbing since the Liberals closed off by closure debate on their idea of tax reform. The figures are startling, and the facts are clear. I repeat that the minister, when he talks about cutting taxes, is not cutting personal income taxes at all. He is just not taking quite as much as he would otherwise take additionally without some adjustment in the schedules or some other process.

Mr. Baker (Grenville-Carleton): Precisely.

Mr. Stanfield: Surely there is no one around here, even those in economic circles perhaps credited by the Minister of Finance—and I hear this charge made—

Mr. Hees: The "Group of Seven" feel that way.

Mr. Stanfield: I am sure even they would not argue against an additional tax cut now. That would be a shot in the arm and would be helpful both in easing the burden which Canadians bear as a result of prolonged two-figure inflation and in the sustained creation of jobs as we move into a year which looks as if it is going to be a year of terrible stagflation. Whether such additional rebate goes into investment or into goods consumption would make much difference, either way it would be helpful, and it would certainly be helpful psychologically. But the government members will vote against it, and they support very lavish programs within the government service itself even while the minister talks about the need for us to be prepared to share with the rest of the world and to accept less. I see no sign of government economy, no sign of that attitude in the ranks of the treasury benches at all.

Our second objective is to point up this double standard, and our third objective is to focus attention on the need for concepts like restraint and discipline in spending to be taken seriously by the government. I must confess that I cannot really tell whether the government takes anything seriously any more, except staying in office. I know its members are serious about that. I do not know whether they will take anything else seriously, because they might very well, and if anyone were to predict this on the basis of the Minister of Finance's record, perhaps, it would not be a bad prediction in terms of what is likely to happen. After opposing these tax cuts today they might very well be back in the House with a tax cut of their own in a matter of weeks.

● (1540)

The Minister of Finance in his latest budget says in effect that nothing really effective can be done to achieve stable growth and job production unless inflation is under control to the extent that it is not undermining confidence in the economy. In the same budget—as in previous ones—he pledges restraint by the government. Both of these—the assertion and the pledge—are worthy in what they say. But where is appropriate action to back them up?

Instead of action we see the Minister of Finance and the Prime Minister simply betraying the worthiness of any words spoken in the budget address or the Speech from