

1.4 Since the publication of the White Paper, the Association and its members have received scores of inquiries as to the implications of the Government's proposals and many expressions of concern. The viewpoints and concerns expressed in this Brief are therefore not solely those of the Association or its members; they are also the concerns expressed by a wide and diversified cross-section of the investing public. We believe they are legitimate, and deserving of objective consideration.

1.5 The national tax structure is one of the major instruments which is used by the Government to ensure the health and growth of the national economy. The wisdom or otherwise of the proposed tax reforms must be assessed both on their individual merits and on their combined short and long-range impact on the economic and social objectives which we set for ourselves as a nation.

1.6 The soundness of this approach is recognized in the introduction to the White Paper in the enumeration of the goals which the Government asserts to have used as guidelines in its preparation. These goals include: a fair distribution of the tax burden; steady economic growth; the recognition of modern social needs; readily understood and accepted tax laws; the blocking of loopholes which invite abuse and the development of a tax system that can be used by the provinces as well as the federal Government.

1.7 The White Paper gives priority to achieving neutrality in the income tax system, apparently in the belief that this would produce the most equitable tax system. The Association rejects the proposition that neutrality is synonymous with equity in the present economic context and suggests that greater emphasis be placed on the attainment of economic growth and