

*The Address—Mr. Low*

Canadian people have had to pay for the things they need. There is much more that could be said, but I shall confine myself to making one or two observations which have been running through my mind for some little time.

People generally throughout Canada are seething with dissatisfaction over the taxation policy of this government. I do not think that that is an overstatement in any respect. Their dissatisfaction mounts daily as they realize that the ministers of the cabinet are confiscating by way of taxation much more this year than the government needs for the defence effort and the maintenance of services. We challenge the moral if not the legal right of the Minister of Finance (Mr. Abbott) to overtax the people of this country in this way, especially at a time like this when they are burdened with the highest living cost in all history. We challenge also the manner in which they are overtaxing the people. I refer to the method used which contributes directly to higher consumer prices.

The government's taxation policy, especially their hidden taxes, is denying the people of this country the advantages of technological advancements. Lower consumer prices should follow as a consequence of the discovery of better, faster and cheaper methods of production. But the people are not getting these lower prices because whenever our inventive genius discovers better methods and better materials to overcome production costs, the government rushes in and slaps on hidden taxes which more than offset the saving. The result is that prices are pushed up again, and that is not right.

Moreover, our Canadian people are becoming absolutely fed up with seeing their United States neighbours able to purchase automobiles for \$500 to \$700 less than they have to pay for the same cars. They are absolutely fed up with seeing their neighbours in the United States able to purchase electric refrigerators, stoves, in fact all kinds of electrical supplies and many other goods much more cheaply than they can in Canada. There is no real reason why Canadians should have to pay up to 60 per cent more for some of these amenities and necessities than do our brethren in the United States; no reason at all except the government's foolish hidden tax policy.

Another feature of the government's taxation policy is that it has been discouraging an all-out productive effort. I refer more particularly to what has happened in connection with income tax enforcement among western farmers. People everywhere in the west are

fed up with the way they are being chased by income tax inspectors. This summer I saw a large number of people throughout western Canada. Some of them pointed out to me abundant acreage of feed and asked if I wondered why they were not producing livestock to eat up that feed. They told me that livestock production was largely a matter of overtime effort. We have in mind the experience of the long years of the war and after the war. As a result of being forever on an all-out production effort and raising livestock in overtime, we were then pursued down the years until this very moment by the income tax inspectors, who were forcing us to pay to the government practically all that we gained through our overtime work. We are not going to do it any more. Whether or not that is correct, the fact remains that in the minds of a good many western farmers there is this question. Why is it that the government was quite prepared to declare an amnesty, let us say, to deserters from the army and those who absented themselves illegally from military service—it was done almost immediately after the war—yet they continue to harry the farmer for the last cent of income tax which they did not know they owed. For years many of these farmers thought they had paid every penny of their income tax. This summer one of them came to me with this story. He said he had recently received a nice letter from the income tax division in Edmonton which went something like this:

Dear Sir:

Examination of your income tax returns for the past five years shows you owe us for 1946 a balance of 84 cents. Will you please remit this together with a \$5 penalty?

The department proceeded to harass him to get that, and I imagine they spent five or six times as much as the tax was worth to get it. This is not the sort of thing, Mr. Speaker, which inculcates confidence in the people. Surely it was not the fault of the taxpayer that the department was five or six years late sending him a notice that he had not paid. It was the inefficiency of the income tax branch that let it drag on for five or six years. Under those circumstances the government ought to be able to strike a cut-off date and say that from that date forward everyone will be treated alike. They could help provide the means whereby the taxpayer would know what his taxes really are. I believe the government would be well advised to look into that business. It is nothing less than fiendish the way income tax measures are applied. These people in western Canada are feeling the pinch, and in many respects they are relaxing their production efforts when we need all-out production.

[Mr. Low.]