

*Taxation Reform*

● (2:30 p.m.)

I want to say on behalf of the New Democratic party that we look on the tax system of Canada as an expression of the social goals which a society seeks at any given time and of the social philosophy and social ethics of that society. We want the tax system to be an example, a reflection, of what we agree to be the proper relationship between the state and its citizens. Who is encouraged by the tax system? Who is rewarded by it? Who retains the power to control the economy; how is the economic power distributed? What are the values which underlie our tax system? These are the criteria by which we think the white paper before us should be measured.

A tax system, it is agreed, should be equitable. This white paper does not propose an equitable income tax structure. A tax system, it is agreed, should be comprehensive so that all the income of a taxpayer is included. This white paper does not provide a comprehensive tax base from that viewpoint. When considering a tax system, all people pay some kind of homage to the proposition that it should redistribute income. This proposed tax structure does not redistribute income; it leaves the lower and lower middle class income groups in a devil of a spot. A tax system in our opinion ought to deal with the income and wealth of a country in such a way as to reduce the power of the large private corporations and redistribute power in such a way as to give the ordinary people a greater say in decisions reached on their behalf and for their future. This white paper does not do this. A tax system, in our view, should be so constructed as to enable the central authorities, both federal and provincial, to do some meaningful spending within the economy and bring about some meaningful planning of the economy to serve socially desirable purposes and to serve the ends of the common people. The paper before us does not do this.

Above all, in our view a tax system ought to be so designed as to encourage provision of funds, where necessary, to provide the public goods and services without which life in modern society is simply not liveable. The white paper does not do this. Indeed, it does the contrary; it encourages the dividend holders and discourages lending to public authorities, federal, provincial and municipal, to enable them to carry on the basic work of the country and to make life liveable for larger numbers of our people.

[Mr. Lewis.]

We have said many times that in a modern society government activities are expanding and will continue to expand. I have said this myself both inside and outside the House, and it is here that I cannot agree with what was said by the Leader of the Opposition (Mr. Stanfield). Whether some hon. members like it or not, I say emphatically that government activities will continue to expand in the future. None of the difficulties facing Canada today—none of them—can be resolved at all if they are left to the private corporate powers in this country. The Minister of Consumer and Corporate Affairs (Mr. Basford) has been flailing around in the polluted atmosphere of price increases—and the Prime Minister (Mr. Trudeau) supported by the Minister of Finance (Mr. Benson) has joined him in this pointless little dance—saying to the corporations: Please be good. The corporations listened—and hiked their prices. The hon. gentleman makes statements here about the need for restraint, to which no one pays any attention. The fact is, these continual increases in price, the pressures of inflation on those with low and fixed incomes, are becoming intolerable and they will not be stopped until federal and provincial governments have the imagination and the courage to take the necessary legislative steps to prevent the gouging corporations from increasing prices. The efforts of hon. gentlemen opposite will continue to fail. All the homilies, all the pleas, will fall on deaf ears in a system in which the maximization of profit is the major consideration. No success will be achieved until government has the courage to step in and control prices directly.

We talk a great deal in this parliament about the need to end regional disparities in Canada. Every one of us says "Amen" when such hopes are mentioned. It is not only unjust and unfair that people in the Atlantic provinces should receive a per capita income so much lower than the national average, but this situation is also one of the major agencies in the promotion of national disunity. It is one of the major causes of disenchantment with the federal government and with Canada as a whole. When this resentment is related, as it is in the Province of Quebec, to issues of language and culture, to legitimate requests and aspirations of the people, the fact that per capita income in the province is so much lower than it is in Ontario, that the rate of growth is so much lower than it is in Ontario, that the general situation is so much worse than it is in a neighbouring province, is