

missions, notably those of Ontario, Quebec and Saskatchewan, formed the basis of widespread debates and discussions of the principles upon which Canada's tax laws should be based. Following its assessment of these reports and taxpayer submissions with respect to them, the Government of Canada issued its White Paper, containing numerous proposals for tax reform.

Where the Committee has not recommended adoption of White Paper proposals it has sought alternatives, but has not attempted to spell them out in technical detail.

The Committee has come to certain conclusions on the principles and objectives which should guide tax reform. It is especially concerned that full consideration be given to the effects of tax reform on economic growth. It endorses the goals described in paragraph 1.6 of the White Paper:

- a fair distribution of the tax burden based upon ability to pay;
- steady economic growth and continuing prosperity;
- the recognition of modern social needs;
- widespread understanding of and voluntary compliance with tax laws, combined with enough detail to block loopholes;
- a system that can and will be used by the provinces as well as Canada.

We believe that these goals or objectives are shared by most Canadians.

The Committee has taken as its principal task the assessment of the White Paper proposals in the light of the criticism presented to the Committee, and their adequacy and acceptability as methods for reaching these agreed objectives.

There is one overall conclusion your Committee and, we expect, most Canadians have reached on the subject of reform as the result of the long debate on the White Paper proposals and the debate on the federal, and provincial Royal Commission reports which preceded it. It is that no tax proposal is exempt from valid criticism in a complex society with multiple objectives, and that no country has achieved a perfect tax system.

For this reason, while your Committee was presented with some different approaches to taxation, it confines its recommendations to the basic framework of the White Paper proposals. The Committee received several suggestions directed to the stimulation of long-term savings. In view of the importance to the economy of a steady flow of savings in the private sector, we commend these to the Minister of Finance for further study.

Principal Conclusions

Your Committee's principal conclusions are as follows:

1. That the tax load now borne by lower-income Canadians be reduced. The Committee is especially concerned with the plight of low-income Canadians, who have been less able than other taxpayers to protect themselves against the inflationary and unemployment pressures in our economy.