

Income Tax Act

finally a rout. The final act as far as the white paper and its sponsors were concerned took place on June 18 last when the minister, his tail set very firmly between his legs, stood up in this House to present a tax reform package whose closest relationship to the white paper was the fact that it was being introduced by the same man, a man who had grown older and perhaps somewhat wiser in the interval.

That was a sour defeat for this government, but it was at least a partial victory for the people of Canada. It was a defeat for this government at the hands of many people and not at the hands of big business, in spite of the minister's original claims. It was a defeat at the hands of small businessmen. It was a defeat at the hands of ordinary taxpayers who realized that they were to be victimized by hidden tax increases amounting to hundreds of millions of dollars. It was a defeat at the hands of homeowners and those who want to own homes in the future.

On the other hand, it was a partial victory for common sense. It was a partial victory for the Canadian economy. It was some kind of victory for just about everybody except for the handful of men who temporarily form the government of this country.

Some hon. Members: Hear, hear.

Mr. Stanfield: It was a victory, too, for the Conservative opposition.

Some hon. Members: Oh, oh.

Mr. Mahoney: This is the funny part.

Mr. Stanfield: Hon. members opposite do not like that very much, Mr. Speaker. From the very start, we attacked many of the white paper proposals for their absence of humanity and lack of realism. We attacked them for their discouragement of incentive and their assault on investment in Canada by Canadians, and we forced the government to retreat. It was not, of course, just the force of our arguments that did this, strong though they were. We know that the government makes it a point never to listen to the opposition if it can avoid doing so.

Mr. Boulanger: You said that we did.

Mr. Stanfield: I will explain to the hon. member in a moment.

Mr. Ricard: He would not understand it anyway. He has no head for that.

Mr. Stanfield: Then, I will be clear so that even he can understand. This time the government could not help listening to us. No matter how much it grated, this time the government had to listen and to take heed, because what we were saying was being said by others. The attack came from every direction—from both Houses of this Parliament, from business, labour, the farming community, and eventually even from within the caucus of the Liberal party itself.

Mr. Côté (Longueuil): What about listening to your own caucus?

Mr. Stanfield: Let me tell the minister who interjected that certainly his own party does not listen to its caucus;

[Mr. Stanfield.]

that is well known. Certainly, no member knows it better than the hon. member sitting there in the middle row on the other side. But this time it was different; the government had to listen because, behind its own caucus and behind the opposition in Parliament, the government could hear the voters. Ordinarily, perhaps it would not even listen to them, but election time is coming and certainly the government can read the calendar, whatever may be its other deficiencies. This was why the government was forced to retreat. It was not because of big business or secret plotting; it was because the people of Canada rejected, and rejected summarily, the propositions that the government had put forth.

It is an impressive catalogue of retreat: retreat from the tax on the sale of a man's home; retreat from the hidden tax increase that was originally built into these white paper proposals; retreat from the unrealistically high capital gains tax that was proposed; retreat from the ridiculous proposal to tax capital gains on company shares that had not even been realized by the individuals concerned, which would have increased enormously the difficulties Canadians would have faced in retaining control of the Canadian corporations that we still happen to own; and retreat from the attempt to undo what little encouragement had been accorded to the small businessmen of Canada. In short, there was retreat from some of the worst elements that had been present in the original proposals made by the Prime Minister (Mr. Trudeau) and the Minister of Finance in the white paper of the government.

As I say, it was a victory for the Canadian people who need not now fear that they will be subjected to some of the more ridiculous schemes that were concocted by the present government. But we must remember, Sir, at this time that the victory is still only partial. A battle has been won but not the war. Instead of having our head banged on the hard floor, it feels a lot better when someone puts a pillow under us. But we must not forget that although the changes have been made, they were not made willingly. The government did not want to make these changes, and this is why the opposition in Parliament and the Canadian people generally have to keep a very wary eye to ensure that what the government could not get in through the front door it will not try to introduce through the back door.

• (3:10 p.m.)

I do not pretend, of course, to know the intentions of the government in this matter, but when I look at the present bill the most charitable conclusion I can come to is that perhaps the government itself does not know what it is doing. If many of the white paper proposals were totally unacceptable, we now have a bill before us that is in many respects totally incomprehensible. I suppose for this government this must be considered as some sort of an advance. In fact, most of the retreats made by the present government are advances as far as the Canadian people are concerned. The fact remains that from policies which were unacceptable the government has retreated into confusion. We are faced today on second reading with a jumbled mass of legislation which makes a can of worms look like a disciplined army on manoeuvres. It is a piece of legislation that has lost specialized lawyers and econo-