

industry and see what can be done to provide industrial retraining programs for Canadians.

I should like to make another point, Mr. Speaker. For the last three years I have listened intently to the ramblings of the Prime Minister (Mr. Trudeau) during the question period. Now and then members of the House have asked whether there have been provincial and federal consultations and whether federal, provincial and municipal authorities have come together so that we might find solutions to our economic conditions relating to unemployment, as well as to taxation problems. The philosophy that has been foisted on the Canadian people is that there are two different kinds of Canadians, the federal Canadian and the provincial Canadian; they are two different kinds of animal.

Nowhere is this philosophy adopted by the Prime Minister more evident than in his attitude toward taxation. People say that the Canadian taxpayer cannot carry the burden any longer and that we must integrate our taxation structures at the federal and provincial levels in order that our people can better carry the burden. Then we are told that the provinces can increase their taxes, as if you are talking about two different fellows, or as if there is a provincial fellow down there and his federal wife up there somewhere. I do not understand this. For the last several years we have been led to believe that we have in this country two completely unrelated systems of government, the federal system up here and the provincial system down there.

We have reached the point where Canadians in Newfoundland are wondering if they are living in Newfoundland or in Canada, where Canadians in British Columbia or Quebec are wondering if they live in British Columbia or Quebec alone, or if they are part of Canada. I do not care whether we live under federal or provincial jurisdiction; there is need for more consultation and for greater integration. When you talk about integrating the tax system you must remember that today's taxpayers are being taxed by school boards, by municipalities and by provincial governments and the federal government. There must be some way for us to integrate our tax system to a greater extent so that Canadians can understand what is happening, instead of facing total frustration.

I am a believer in simplicity, and I speak from personal experience and for many thousands of Canadians when I say that when Canadians have to deal with our tax system the result is absolute and total frustration. The average Canadian has to have some knowledge of accountancy; he has to be a bit of an economist, a bit of an insurance agent, and so on. All this is causing a great deal of anxiety and confusion in the minds of Canadian people.

Perhaps I am just talking off the top of my head; perhaps I am not really putting my point very well to the members of the House of Commons. But, surely there must be some way for us to bring about greater integration of our tax structure so that Canadians will know where they stand on taxation. For example, I should like to see a greater effort made so that provinces receive

Income Tax Act

benefits from total taxation that are commensurate with their needs. The present system must be frustrating even for the province of Ontario. The Ontario government has done much to contribute to confederation and it must be frustrating for them to wonder if they can meet their obligations, because the tax burden which is imposed by the federal government in part is unrelated to provincial tax needs.

We hear much talk today about reducing taxes. Every time we talk about reducing taxes we hear members on the government side saying that we also want to reduce services. I am not an economist but according to authors whose works I have read, if the government had the courage, gumption and determination to reduce taxes substantially, increased tax revenues would be the end result. That move, as a matter of fact, would broaden the tax base in the country and increase revenue. It may seem foolish to say that you can reduce taxes and increase revenues, but I for one think you can do that. I think it is time we developed that point of view, because by reducing taxes we would give the people an incentive to spend money that would have been taken from them in taxes by the very fact that average earners would then have more money at their disposal.

Some economists insist that if you increase demand that way, you will also increase your tax base and tax resources available to the Canadian people. I firmly believe that. For example, to use the example given by the hon. member for Egmont (Mr. MacDonald), if you were to remove the 11 per cent sales tax on building materials, as has been advocated many times, in a few years you would replenish any moneys lost from the federal treasury because you would create new tax sources. For instance, you would create a mini building boom, make housing more accessible for ordinary people and stimulate the economy as well. Look at the jobs that would result. But we cannot get that idea through to the Minister of Finance or to the Prime Minister. The people across the way refuse to accept our ideas when we raise them. They refuse to backtrack one inch because we in the opposition would get the credit for the ideas. I could develop other examples to show that by reducing taxes the average Canadian could buy a better car, better furniture and more groceries in the store. The total effect on the economy would be enormous.

We are getting no tax adjustment in this bill, Mr. Speaker. The government is increasing exemptions by a few hundred dollars for people who are already well below the poverty line. Yet the government has the gall to say to the Canadian people that it is readjusting their tax burden. That is a lot of gobbledygook.

• (8:50 p.m.)

I wish to sum up a point of view which I raised earlier. Your Honour will be hearing this point of view thousands of times in the coming months. It has been heard before. If we want tax reform in this nation, there has never been a period in Canada's history, especially in the context of the United States present attitude, when it was more necessary for us to reassess our whole position with regard to the taxation of basic resource industries. I