

Good News for Nobody

by ARCHIBALD McCOLL

THE Government of Canada appointed a tax commission of accountants and clerks with no previous experience in the study of taxes or the science of political economy. They knew a lot about putting figures on paper but not about producing wealth, goods or services. This was known as the Carter Commission on Taxation. (See also page 1).

The Government did not need to appoint this commission to tell them what was right and wrong with taxes. The voters could have done that. They built in Ontario a beautiful life of freedom—freedom from too much government—freedom from police state methods and freedom to go to work and produce at will. The Canadians of more than a century ago built thriving towns without resorting to income, sales or transportation taxes.

But the Carter Commission would tear down all that. It gives rubber stamp approval to income tax, sales tax and all the bad forms of taxation that were saddled on us by governments in a hurry to "catch the war profiteer." Canadians hoped to be rid of these nuisance taxes when times became prosperous—and never before were times as prosperous as when the Commission was appointed. There were more people than ever to pay off our national debt, to produce goods and services, to use our railways and make them pay, and to find wealth in this tremendously rich land of ours.

Prattling radio commentators have been making instant decisions that the Commission's report will get even with rich people, big companies and farmers (the most taxed men in the country), and therefore it is good. Good for whom? As a working farmer I can see that it will produce only depression and poverty for everybody. I see a lot

"Arch" McColl, an engineer who has helped to build bridges in many parts of the world and now has bought a farm in Ontario, visited the annual conference in Montreal and spoke briefly on the state of the Canadian economy. The *Miramichi Press* (Chatham, N.B.) published a long, critical report by Mr. McColl on the work of the Carter (tax) Commission. His views are reflected in this excerpt.

of jobs lost for union labor in steel and construction. In agriculture only small or no income subsistence farmers will avoid being seriously affected because they have nothing anyway. If there could be a man found whose income is only from stock dividends, he would benefit from tax credits, if he still has any dividends being paid. There are very few of these people in Canada.

The saving for a man earning \$4,000 a year would be about \$47 on his income tax, but he would lose much more in sales taxes, rents, or prices of land, if the report is implemented. The wet blanket thrown on business initiative would be so great that more likely the man earning \$4,000 a year would lose his job and live on unemployment insurance or welfare.

The schemes for taxing insurance are impractical. As all provincial governments have plans in the making to replace the insurance companies in the field where insurance is compulsory, taxes on life insurance are a tax on savings or protection and are added to the cost—another burden on people.

The six volumes, whether French or English, printed in 100,000 lots by the King's printer, will be consigned to the waste paper baskets by the end of the year—except for a few in the filing cabinets. The entire report will be condemned by students of political economy as a proposal of nothing for anybody, except more taxes, less work, no trade and no progress.