

Book Review

The Great Revenue Robbery: How to Stop the Tax Cut Scam and Save Canada

edited by Richard Swift. Toronto: Between the Lines. 2013. \$19.95 CDN, paper. ISBN: 978-1-77113-103-2. Pages: 1-160.

Reviewed by Matt Fodor¹

One of the main challenges facing Canadian progressives is changing the discourse on taxation. Over the past two decades, an anti-tax ‘consensus’ has emerged in Canadian politics. Tax cuts have deprived governments of billions of dollars in revenue. Taxes are viewed as a burden to be avoided; in other words, taxes are separated from the services they pay for. It was in this context that progressive economist Hugh Mackenzie called for an “adult conversation” about taxes in Canada.²

The Great Revenue Robbery, edited by Richard Swift for the recently formed organization Canadians for Tax Fairness, is a welcome contribution. Featuring contributions from progressive economists, journalists, activists and others, *The Great Revenue Robbery* offers a concise, well-argued challenge to what has become a near-consensus in Canadian politics, and makes the case for taxation as an essential component of a progressive political agenda. The book is aimed at a popular audience and is particularly useful for political activists.

A key theme of the book is how the tax issue is framed, with the book’s first three chapters devoted to it. Trish Hennessy calls for a return to the concept of virtue in politics, noting that during the postwar years, a time of expansion of public infrastructure and the social safety net, “[i]t was commonly accepted that taxes were the price of a civilized society, but also a happier one” (p.19). Diana Gibson discusses the success of the conservative movement in moving the Overton Window – the current spectrum of mainstream policy options, noting that: “The conservative movement brought the expansionist era of liberal social democracy

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2 Hugh Mackenzie, “Can We Have An Adult Conversation About Taxes?”, *Toronto Star*, October 26, 2009.

to an end by being bold: by not being afraid to say things that were unpopular and by repeating them forcefully, and shamelessly" (p. 27). Progressives, Gibson argues, must learn from the example of the conservative movement and move the Overton Window leftward. Swift's own chapter provides an excellent overview of the role of the media, which overwhelmingly heeds conventional business opinion about free markets and for the most part excludes progressive perspectives, in shaping public opinion about taxation.

While these chapters do raise the important point of the success of the conservative 'counter-revolution' and hegemony of neoliberal ideas, it does not explain why the Keynesian welfare state went into crisis in the 1970s in the first place. What we now refer to as the 'golden age' of capitalism in the postwar period, a period characterized by high levels of economic growth where high levels of corporate profitability and very real increases in living standards, represented a unique phase of capitalist development that is unlikely to be repeated.

Other chapters in the book cover the topics of tax havens, corporate taxes, financial transaction taxes, ecological taxes, and taxes and cooperatives. Peter Gillespie's chapter criticizes the Canadian government's lax attitude towards tax havens and the major presence of Canadian banks in Caribbean tax havens. Jim Stanford in his chapter on corporate taxes shows how corporate tax cuts since the mid-1980s have failed to deliver promised increased business investment and thus jobs and higher incomes for Canadians. Increases in public expenditure, Stanford maintains, would have a greater impact on growth and investment than tax cuts.

Toby Sanger's chapter on financial transaction taxes offers a helpful and clearly-written debunking of several 'myths' about FTTs. Joe Gunn in his chapter on eco-taxes makes the case for a progressive carbon tax, arguing (correctly, in my view) that carbon taxes are ultimately more effective than a cap-and-trade system (which is more subject to market fluctuations and requires the development of an emissions trading market). John Restakis in his chapter on taxes and cooperatives discusses the role of the social economy in Italy, Spain and Quebec, and calls for reform of the tax system to encourage the cooperative sector. However, a more critical assessment of what role this sector should play as opposed to government in terms of social welfare provision, for example, would have been beneficial.

Veteran journalist Murray Dobbin, who has written much on taxation and the consolidation of neoliberalism in Canada, effectively reiterates the book's key themes of changing the discourse on taxation and

articulating an alternative to neoliberalism. Dobbin stresses the need to link tax fairness with communitarian values and a progressive values and suggests that campaigners “frame the issue as a choice two very different futures: a continuation of the dystopian low-tax, high-private-consumption regime; the other, a return to higher taxes but also to more public goods and stronger communities” (p. 141).

Overall, *The Great Revenue Robbery* makes a strong case for the central role of taxation in a progressive agenda, and is presented in an accessible manner. It is especially helpful in light of the retreat of Canadian social democracy on the question of articulating an alternative to neoliberalism, where the NDP not only accepts but even promotes anti-tax politics. The book represents just the beginning of an adult conversation about taxes in Canada. It is a call to action to challenge to speak boldly in support of the necessity of taxes as a key component of the public good and our collective capacity to shape the future, and to develop a progressive tax policy to counter growing inequality and rebuild deteriorating public services.