

the real grants that are given to corporations are buried in the Tax Act of Canada, that 15,000 pages of rules and regulations, all those special preferences. Of course those preferences which have been put into that act over a number of years by Liberal and Conservative governments, many of them no longer meet their original policy objectives.

• (1325)

Would the hon. member be willing to take the same passionate view about eliminating those tax grants as he does on the direct handouts?

Mr. McClelland: Yes, Mr. Speaker, I definitely would. As a matter of fact the faster we can get to a flat tax system the happier I will be. This whole notion of write offs for this, write offs for that, you have to be a Philadelphia lawyer, you have to have 14 tax accountants to figure out where Tuesday was, is absolutely insane.

We will have a revolt but the revolt will be all the tax lawyers and tax accountants who will be looking for work if we only simplified it and made it fair.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I know that what the member just said is music to the ears of the member for Broadview—Greenwood, except he did not actually come out and say that he was in favour of a single tax—

Mr. Mills (Broadview—Greenwood): I was waiting for you to do it.

Mr. Blaikie:—and the member will still wait awhile before he hears me say it, although I would have to say that the point made about the complexity of the tax system and the way in which what is supposed to be a progressive tax system turns out to be a non-progressive tax system because the higher up the income bracket you are, the more you are able to hire people to figure out how not to pay taxes is a point that is well taken. That is why I continue to be open to the member's proposal, if not convinced at this point.

I just want to say to the member, I was going to bring up David Lewis if he had not. He could not remember the name, so I had to help him along. David Lewis, former leader of the NDP in this Parliament was the one who coined the phrase of corporate welfare bums and I am glad to hear a Reform Party member talking about that.

I know there was some talk of that in the Reform Party platform, but their tendency has been to concentrate and to have Canadians concentrate on what people at the lower end of the income scale are allegedly getting for nothing in the form of

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welfare, social programs or whatever. I think the distinction that exists between certain groups in the House is that I find the welfare that exists at the top of the system much more offensive.

If there is a single mother on welfare getting more than she should, maybe that should be corrected, but that does not drive me wild. What drives me wild are the tax expenditures that are claimed and created by government and exploited by business which sees many large profitable corporations in this country paying absolutely no taxes at all.

I have certainly done my best while I have been here—and I think the member will vouch for this—to call attention to that. I am glad to hear someone from the Reform Party calling attention to that as well. If he is serious about that he is going to have to take on some very strong powers and principalities, to use a Biblical term, because they have got their claws right into the public trough through the tax system.

When I was first elected here along with you, Mr. Speaker, in 1979, the deficit was \$14 billion and tax expenditures for that year were \$32 billion, twice the deficit. We could have paid the deficit off and had \$18 billion left over if we had been smart about tax expenditures. However we have not been and it is time that we did get smart about tax expenditures.

Mr. McClelland: Mr. Speaker, I will be very quick and very brief. The essential basis of anything we do as far as taxes are concerned or concessions to anybody, business or people, is that we have to have a foundation of fairness in everything we do.

It must not only be seen to be fair, it has to be fair. That is what this great debate is on when we talk about whether or not people should have deductibility of a business expense, lunches and that sort of thing.

What we have to do is to inculcate a sense of fairness in everything we do and set a direction and leadership from this House so that when people in Canada say: "Well, we have to tighten up our belts and live within our means", they can look to the Parliament of Canada and say: "Look, they are setting the example and that is where the leadership has to come from".

• (1330)

Mr. Alex Shepherd (Durham): Mr. Speaker, Canada has too often taken a shortcut to economic prosperity. We have been living on natural resources while neglecting the true revenue enhancing areas of secondary manufacturing and technological innovation. The branch plant economy is in disarray. Most research and development occurs south of our border and has crippled our ability to learn from a changing economy and environment.