

*Taxation Reform*

Rapped as 'Shocking' Blueprint for Socialism." Would it were so, Mr. Speaker, but I am afraid it is very far from the truth. Whatever his merits may be, I am afraid the Minister of Finance is not a Socialist.

The generation of the future will read these things and will think that these business leaders were ingrates. After all, the Minister of Finance has been very good to them. One day he stood up in this House, in reply to a question I put to him about bank profits, and virtually said, "It is a good thing they are having these profits. After all, we get some of them. We are partners." I think the bankers of our country are terribly ungrateful and do not show the respect that they should for the minister.

When business leaders call for belt-tightening, it is always government belt-tightening they mean, belt-tightening on all sorts of public expenditures, on housing for low income families, on aid to disturbed children, and on hospitals. They do not call for belt-tightening in respect of other activities in our society, no matter how frivolous those activities may be. Day after day we see advertisements urging people to borrow money and to make use of credit cards. There is no belt-tightening in that sector.

At times like this I am almost inclined to be sympathetic to the Minister of Finance for the terrible abuse to which he is being subjected. Here is a good, solid reactionary bringing in a good, solid reactionary document and he is being called a Socialist.

**Mr. Baldwin:** It is almost libellous.

**Mr. Saltsman:** It is almost libellous, as one hon. member says. It is no way to treat a good, solid reactionary and is unfair to a man who is trying hard to be solid. History will recognize these proposals for what they are—a smug, comfortable government making a few slight gestures in the direction of progressiveness.

● (9:30 p.m.)

Mr. Speaker, I started by saying that I am an optimist. I like to believe that Canada will survive the kind of government we now have and that the public will see through the rather obsolete, tired and foolish documents of this government when the white paper is examined. It will be our role to analyze this paper and point out its very serious defects so that the Canadian people will see what they are up against. The minister is trying to keep a leaky capitalist ship afloat by patching it.

We have to ask ourselves what tax reform should consist of. Is this tax reform, or is it a

[Mr. Saltsman.]

piece of patchwork? How significant are the proposals placed before us? I would suggest, Mr. Speaker, that this is not tax reform at all. Tax change, yes, but not tax reform. The major criterion of any tax system must be equity. How equitable will this system make our society? It fails miserably because it perpetuates the same old double standard that has always existed in this country. Self-employed people are free to make expenditures and get deductions not available to those who work for wages or salary. The system for the first time permits a deduction of up to \$150 for expenses resulting from employment, but it is certainly not fair enough. It does not change the basic principle and the basic difference in treatment of two groups of citizens.

The white paper should have made a recommendation that the tax free allowance for Members of Parliament be discontinued. I think it is impossible to justify it in this day and age, especially when Members of Parliament are supposed to be trying to demonstrate that our tax system should be changed. I am sure there is not a member in this House who could not make a case for the \$6,000 expense allowance, but he should have to make that case. It may be argued that it could present some difficulty in producing bills, etc., but the small expense involved in justifying the expense allowance should be undertaken. I believe this recommendation should have been contained in the white paper. There is a rumour that it was considered and dropped. The white paper should have the courage to make changes. I suspect the reason such a proposal was not contained in it is that the government was not being very courageous in other areas.

Earlier in this debate there was a discussion about the role of the Senate. The hon. member for Edmonton West pointed out that some Members of Parliament have a conflict of interest. I think the day is coming when members will have to indicate where they stand, just as it has been suggested that those in the other place should indicate their association with interests likely to be affected by the proposals in the white paper. Members of Parliament must always be beyond criticism. It is a difficult position and perhaps in some ways it is unfair. Those of us who will be working on this paper must be cognizant of the fact that everything we do will be subject to criticism, that our sincerity will be questioned and that sincerity should be demonstrated.