

Taxation Reform

adopted a position that has been generally held by our party, and I was somewhat afraid that he would go on to give his general support for our philosophy—something that would, of course, have caused us to reconsider our position. However, I trust I stand reassured that there is still a clear distinction in view between the hon. member and the New Democratic Party.

Mr. Thompson: There is, thank heavens.

Mr. Broadbent: Thank heavens is right. I notice the hon. member did not suggest how the philosophy of the Social Credit might be brought to bear in dealing with this subject, though perhaps he will take the opportunity to do so at a later stage.

My remarks will be brief, Mr. Speaker, since it is late in the afternoon. I want to talk on one issue, namely, the relative priority that we attach in society to the provision of private consumer goods as opposed to collective goods. It seems to me clear that the white paper reveals a bias in favour of the production of consumer goods in our society. Democratic Socialists in this and other countries have for many years emphasized the importance of collective goods, and have done so, I think, for three general reasons. First of all, the provision of collective goods is the most practical way to solve many of society's problems. Other parties have also accepted the practicality argument; certainly we have no monopoly on it. When railways, hydro stations, hospitals and so on are required, other political parties historically have accepted the practicality of providing collective goods and services; and many of these practical arguments remain today when similar services are required.

The second argument that we favour, one which is not so enthusiastically greeted by our political opponents, is that collective goods are provided on the basis of equality, which to me is very important. When modern economies during the last 30 to 40 years began to shift their emphasis away from exclusive preoccupation with consumer goods, what they were really moving toward was the provision of goods and services to the people in our society on the basis of equality. Whether one is rich or poor, one uses public facilities such as a summer park, a hospital, a medical plan, free university education, or benefits from medical research. The point that I regard from the social philosophical point of view as of supreme importance is that people in society be treated equally; this is what

[Mr. Broadbent.]

public goods do. This in turn has a very important spin-off effect, if you like, in terms of developing the attitudes of people in society. This is our third reason for supporting this motion, and it is one of the philosophical principles of democratic Socialism.

By providing more goods and services through the collective expenditure of public money we are laying the foundation for a non-competitive society; we are laying the foundation for people to be free to pursue the life of their choosing, instead of being driven to compete in the economic substructure of society for goods and services. This is the classic goal of Socialism. Whether we will see it in our lifetime is, I suggest, an unlikely possibility, but it remains something to which we should be seriously committed as a society.

Only in the kind of environment where our children are permitted to grow up, taking for granted that they will get the kind of goods and services that they require, providing they make an individual effort, can we make substantial inroads into the competitive aspects of human nature, aspects that I contend are undesirable. Only by this means can we make inroads into the acquisitive aspects of human nature and emphasize the more desirable characteristics of human beings, so they may, to use a current cliché, do their own thing.

● (3:10 p.m.)

So much for the general framework. What kind of bearing does the white paper have on this kind of question? It seems to me there is a bias in favour of those who produce privately-consumed goods. The federal, provincial and municipal governments, in order to finance the much needed public, collective goods through bonds or debentures need all the encouragement they can get. Governments at all levels are today experiencing very serious problems in obtaining the capital they need for public investment.

The white paper, however, proposes substantial dividend taxes on holders of equity to the detriment of holders of bonds. The tax exemption on dividend income is proposed for one-half of the Canadian corporation tax paid by the corporation on the profits from which the dividend is paid. That helps the man who wants to invest in the consumer goods industry. No such exemption is proposed for bondholders. No such benefit, therefore, is provided for much needed public investment whether it be urban renewal, medical