

Taxation Reform

the Minister of Finance (Mr. Benson) to jump on the occasion to discuss frankly and clearly this issue with provincial authorities.

It seems that the problem of tax-sharing cannot be settled at the present time. Full co-operation of those directly affected by and involved in this problem would be needed to help remove the difficulties. The minister should not take advantage of the situation and tell the people how he will go about it. We have come in fact to realize that he was some sort of a dictator. He presented the provincial authorities with a fait accompli, and told them something like this: I am not very concerned about what you think, things will be done my way.

It happened again when he decided to extend the 3 per cent surtax. He did not worry whether the people liked or disliked this measure. He gave no thought to the injustice he was perpetrating, going to the taxpayers' pockets for \$20,000,000 whereas he was collecting only \$5,000,000 from corporations or from people who were well able to face their commitments.

In these circumstances, needless to say that the proposals contained in the white paper add up to a source of injustice for the population as a whole. They provide the Canadian people with an opportunity to vent their frustration.

Canadians in general were expecting more understanding from the federal authorities in connection with the action the present government had promised in order to promote a just society.

If the proposals in the white paper were to be adopted, the department would increase its revenues by taxing a particular group, that is those taxpayers earning between \$10,000 and \$25,000 a year. Yet, although the revenue of those citizens is very heavily saddled, the minister nevertheless proposes to reduce from 80 per cent to 50 per cent the income tax share that will be payable by big companies with a revenue of over \$300,000 a year.

I had the opportunity, last week, to meet one of my constituent, a prosperous merchant, as there are several in our province, especially in my riding. His business, which started from nothing, has become very prosperous. That merchant, who now employs some twenty persons, was telling me that if the proposals of the white paper are implemented, he foresees that he will be forced to close down his business.

[Mr. Ricard.]

In his opinion, that would spell the end of medium- and small-sized businesses, for the bureaucracy would pose as master of the common people.

He also believes that if the present minister puts these proposals through, it would mean the end of the Liberal administration for many years to come, and I agree. In fact, we have seen for some time a number of instances where the population would benefit from seeing the end of the present administration, since it could then shake off the yoke put on it.

Mr. Speaker, I would not like to delay any longer the business of the House. In order to make these few comments, I drew inspiration from the remarks that people in my riding have made and continue to make to me. I thought it was my duty to point out to the minister that, should he insist that the white paper proposals be adopted unchanged, he is not acting in the best interest of the Canadian population. He will certainly contribute to sow the seeds of discord among the people. We should like to convince him how well advised he would be to modify his position.

● (2:10 p.m.)

[English]

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, there has been a good deal of variety in the discussion which has taken place so far on the proposal to refer this white paper to a committee, a white paper which I have heard many members erroneously label, white paper proposals for tax reform. I would be prepared to admit that the white paper does indicate some changes in taxation, but whether they are reforms or not is a matter that will be debated at greater length than in this preliminary discussion.

Some of my colleagues in the New Democratic Party have discussed the general range of the proposals. I do not intend to repeat what they said. I intend to confine my remarks to one particular proposal in the white paper. It happens to be related to a change in the income tax about which I have been arguing ever since I first came to this House following the 1953 general election. I am referring to the question of the deductibility of expenses incurred in the course of earning a living by those whose income is derived from salaries or wages.

So far, Mr. Speaker, with very minor exceptions there has been no provision made in our income tax law for anyone whose income does come from salary or wages to deduct any of the expenses necessarily