

*Taxation Reform*

member but his time has expired unless he has the unanimous consent of the House to continue.

**Mr. Latulippe:** Mr. Speaker, I would not want to take too much time. But I would have several more things to say.

**The Acting Speaker (Mr. Béchard):** Is there unanimous consent to allow the hon. member to continue?

**Some hon. Members:** No.

**The Acting Speaker (Mr. Béchard):** I am sorry but there is not unanimous consent.

[English]

**Some hon. Members:** No.

**Mr. Baldwin:** Maybe at another time.

**Mr. Robert P. Kaplan (Don Valley):** In the few weeks since the white paper on tax reform was published, Mr. Speaker, it has received very wide attention. It is significant, and perhaps it is a good sign, that no class of taxpayer is jumping for joy about it. Taxation is not a popular government activity, and tax reform is perhaps only a little less unpopular than taxation itself.

● (3:50 p.m.)

One of the most disappointed groups is the one which had hoped that the highest priority would be given by the government to the promotion of economic growth, the encouragement of saving, investment and reinvestment, the development of the Canadian economy and increased reward for success in business. This is the group whose complaints, after some initial expressions of satisfaction or at least of relief, are beginning to dominate the nation's financial pages. I would like to direct myself to the issues being raised by this group.

What I have to say at this time, Mr. Speaker, should be taken as preliminary, because as a member of the special committee which will be receiving the white paper for review I shall be looking forward to the widest possible public reaction and comment before coming to final conclusions. By this statement I hope to indicate the frame of reference in which at least one committee member will be expecting public discussion by business interests to fall.

Much could be said for a white paper which puts economic stimulus first. Something could be said for imposing an increased

[The Acting Speaker (Mr. Béchard).]

burden on the mass of taxpayers to help remove some of the purchasing power which may be accelerating inflation. Such a priority would be related to the promotion of economic well-being. But while the first of these objectiveness has clearly received considerable attention in a way which I would like to review, neither of these goals has been the main one. The main goal has obviously been the instant relief afforded 750,000 Canadians who have been taxed in the past and who are living in poverty. This group has not only been paying income tax and more than its fair share of sales tax but it has been paying, more than any other segment of society, the cruel tax which is represented by inflation. Our poorest citizens are those who are most exposed to inflation because they cannot easily bargain for increases in the way that unionized workers and primary industries like the nickel industry can do as their own costs rise.

The highest priority has been given to the poor people's needs for some justice out of the tax system. Some have complained about the white paper on the ground that it would reduce savings by half a billion dollars a year and would stimulate an inflationary pressure for consumer goods. I cannot be too sympathetic toward this complaint, because these critics are simply recognizing the fact that when poor people obtain tax relief they use their tax savings to buy better food, clothing and shelter. They do not use their tax savings to buy Canada Savings Bonds or stocks, or to open small businesses.

If their obvious economic choice tends to work against the goal of encouraging saving and of economic growth, and is inflationary, I think we just have to live with that, because we should not tolerate a tax system which adds another burden on those who live in poverty. Having said this, I would like to add that some critics on the other side have missed the point that a taxing statute can go only so far in the relief of poverty. Poverty cannot be eliminated by mere tax reform; other social measures are required to finish the job. To criticize this proposal for failing to do more is like criticizing it for failing to lower the voting age. It just is not the right tool to do the job most efficiently. In this connection, we have to wait for the white paper on social assistance which is promised by the Minister of National Health and Welfare (Mr. Munro).

While the bringing of tax relief to people living in poverty was of the highest priority,