

*Oral Questions***ORAL QUESTION PERIOD**

[English]

**TAX REFORM**

WHITE PAPER—WAYS AND MEANS MOTION—PRIME MINISTER'S STATEMENT

**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, yesterday the Prime Minister said that he did not have to fire the Minister of Finance because the leaked information on tax reform was only in a White Paper. To use his exact words, he said that tax reform "is not a budget in the sense that it does not, *per se*, take effect the very same day pursuant to a Ways and Means motion".

Those were the Prime Minister's words. I have in my hand, of course, the Ways and Means motion which the Prime Minister said did not exist. I say to the Prime Minister that he misled the House of Commons and that he misled the people of Canada. According to the official documents produced by the Minister of Finance last night, tax changes did take effect immediately. Referring to the Ways and Means motion, I count up to 13 tax changes that took effect immediately on the presentation of the budget and two prior to the presentation of the budget.

● (1120)

Why is it that the Prime Minister chose to mislead the House yesterday? Now that the facts are known by the House, will he now fire the Minister of Finance for leaking information to 31 privileged tax accountants and lawyers?

**Some Hon. Members:** Hear, hear!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Leader of the Opposition has made the point that because there are some elements of a Ways and Means motion that this is a budget. Let me ask him to cast his mind back to something which occurred after he left the House, so he may not be totally clear on this. On October 20, 1977, Jean Chrétien, then Minister of Finance, had a notice of Ways and Means containing 95 different elements as part of an economic and fiscal statement which was not a budget.

Let me draw the Right Hon. Leader's attention to what was contained therein. Capital losses were increased from \$1,000 to \$2,000. The employment expense deduction was increased to \$250. Advertising expenses were changed. Guaranteed capital gains were identified.

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**Right Hon. John N. Turner (Leader of the Opposition):** Mr. Speaker, the Minister is not facing the issue. The Prime Minister said that there would not be a Ways and Means motion and said that there would be no tax changes. Those were the words of the Prime Minister. If I did not have the deepest and greatest of respect for this institution, I know what I would call the Prime Minister.

Thirty-one citizens, so-called experts in taxation, were given a privileged 24-hour head start on the budget. They were given the budget in advance. What could have happened in those 24 hours we will never know. These people were co-opted to sell the message on behalf of the Minister of Finance across the country and the payoff was a 24-hour head start on a budget.

Because we are dealing with the Prime Minister's words spoken in the House yesterday, I ask the Prime Minister why he does not now fire the Minister of Finance. Where are the ethics of the Prime Minister and his Minister of Finance?

**Some Hon. Members:** Hear, hear!

**Right Hon. Brian Mulroney (Prime Minister):** Mr. Speaker, because I do have a profound respect for this House, I shall say what I have considered about the Leader of the Opposition in light of what he has been saying: weak and confused and unprincipled. What he has been saying is a sham and a fraud.

**Some Hon. Members:** Oh, oh!

**Mr. Mulroney:** The position set forward by—

**Some Hon. Members:** Oh, oh!

**Mr. Speaker:** There is clearly a profound difference of views between the Right Hon. Leader of the Opposition and the Right Hon. Prime Minister. Both have expressed their high regard for this place and I know that both are trying very hard to maintain that. I would ask that the Right Hon. Prime Minister complete his answer and I would ask that other Hon. Members give him the courtesy of allowing him to complete that answer.

**Mr. Mulroney:** Mr. Speaker, the statement made yesterday by the Minister of Finance was perfectly consistent with the conventions of this House and the proprieties of matters of this nature. The Minister of Finance has given another illustration of that this morning. Nothing that was said or done by the Minister of Finance was at variance with any of the fundamental requirements of the preparation of documents in this regard.

The result was a White Paper which dealt with the concept of fairness and equalization of opportunity, a White Paper which was designed to strengthen and render more fair the tax system. That is the thrust of the White Paper that was set forward by the Minister of Finance.

It is not unusual, nor did I say anything at variance with this yesterday or at any other time, for tax measures, however modest in number, to accompany a statement. There is a total segregation, as the Minister has indicated. The proprieties were observed at all times. I know that my right hon. friend, who is concerned with tax policy and who leads a Party that is apparently interested in tax reform, will now want to deal with the substance rather than the personalities because Canadians