of *Hansard*, chose to make a comment about the impact of corporation taxes under the white paper and under the budget proposals. He made the observation that the increase in corporate taxation under the white paper was bound to be far greater than under the current budget proposals. But he failed to point out that more than 60 per cent of the increase in corporate tax envisaged by the white paper arose from the proposal to eliminate the differential tax rate from small corporations, and I suppose we are to take it from that that he and his party oppose this welcome measure of relief, this recognition of the practical problems of small companies.

I also think he could have given a complete picture by dealing fully with the impact of all the proposals in the white paper. The white paper discloses that had the concept of corporate integration with personal income been adopted, after a period of years the treasury would have lost something like $230 million of revenue—

Mr. Stanfield: Baloney!

Mr. Blair: The Leader of the Opposition (Mr. Stanfield) says "Baloney," but he himself used these figures extensively to prove that there was going to be overtaxation.

Mr. Stanfield: That is right, overtaxation.

Mr. Blair: In any event, this was the amount of revenue which would have been foregone. This is the benefit that the white paper would have conferred upon corporations and their shareholders. I am suggesting that the budget proposals apply equally to benefit all sections of the population. I would not like to have the task of the NDP in attempting to prove to the people of Canada that, as they claim, this budget discriminates against little people, when more than one million are going to be removed from the tax rolls and 4,700,000 more will achieve significant tax reductions. In order to sell this bill of goods to the Canadian people they will require even more Waffle than they presently have in their party.

It is quite clear that we are going to be faced with a tedious semantic argument perhaps from both the opposition parties. The burden of this argument is that the budget proposals do not constitute tax reform. Mr. Speaker, we should consider this allegation carefully. How can we say that a budget that for the first time imposes a capital gains tax is not a major tax reform? How can we say that a budget that accomplishes an immense shifting of the burden of taxation from the low-income brackets is not a major tax reform? How can we say that a budget that for the first time recognizes the position of working wives and mothers by providing for child care deductions is not a major tax reform? How can we say that a budget which provides positive encouragement, as the hon. member for Waterloo himself admitted yesterday, for Canadian ownership is not a major tax reform?

• (4:00 p.m.)

How can we say this about a budget which cuts through the immense complexity of special rules applying to special corporations and their shareholders? How can we say this about a budget which provides enlightened administrative procedures for which many people have been asking for years?

I think the judgment which will be made upon this budget is that it constitutes the most major reform in the philosophy of our tax structure and the thrust of tax policy since income tax was first introduced in Canada in 1917.

Mr. Paproski: That was a bad bill.

Mr. Blair: I think the greatest significance of this budget is that it brings to a conclusion a period of almost ten years of unsettling discussion about tax reform. We should be clear about the origins of that discussion, Mr. Speaker. There are many people in the chamber and certainly many outside who will recall that this discussion commenced when the government of the day, of which some hon. gentlemen opposite were members, was unable to deal effectively with the problems of taxation arising from the distribution of surpluses of corporations. That government found itself unable to achieve a practical settlement of that problem, and the record is clear that the Carter commission was finally appointed in order to lift the burden of this responsibility from its back.

One of the most significant reforms envisaged by the present budget is a practicable, just and sensible solution of the problem of distribution of corporate surpluses.

An. hon. Member: Opportunities for waste!

An hon. Member: The *Bonaventure*!

Mr. Blair: Once the royal commission was appointed the country was inexorably committed to a long discussion on tax reform. It was appointed in 1962, it reported in 1967 and since that time the sweeping and important report which it presented has been the focus of tax discussion in Canada. The real significance of the budget is that it brings this long and unsettling discussion to an end. We had reached a critical stage in Canada when many important decisions were being postponed, but now the air has been cleared. The budget proposals may not please everybody, but the element of uncertainty has been removed and the proposals themselves are capable of being understood and applied within the traditional structure of our Income Tax Act. Psychologically, this is the most important feature of the budget. Coupled with the incentives which will be given by way of tax relief and the positive assertion of government policy that the aim of the fiscal policy is to foster development and to encourage enterprise, we now provide a solid platform for unimpeded progress in this country.

I should add, Mr. Speaker, that there is another important policy still to be disclosed. I believe it is important for the government, at the earliest possible date, to make an announcement of its policy with regard to foreign ownership I observe that while this matter is outstanding some decisions are being postponed and some uncertainty is created.