

The Budget—Mr. Saltsman

and it is small wonder and no surprise that the Prime Minister received one of his greatest ovations from that group when he addressed them. The Prime Minister is the new darling of the chamber of commerce, particularly since in his Halifax speech he showed solicitude for the rich of this nation. He is the darling of that body which has seldom been right in its attitude toward the Canadian economy. As a matter of fact their record of being wrong is so consistent that they can be considered a most reliable guide, a compass, in fact, pointing south. Yet even the chamber criticizes the government for doing what any businessman does.

They talk about a balanced budget and look with disfavour on government borrowing. Yet a businessman's success in this country is often judged by how much he owes the bank. It is all right for a businessman to borrow capital with which to buy machinery and keep his business rolling. That is a good way for him to operate. Yet the government must not operate in a businesslike manner. Oh, no. The government must not borrow capital with which to keep our people at work. Is it not curious that people who expect businessmen to be businesslike give most unbusinesslike advice to the government, advice which they never would take for themselves?

Although this budget has not met with the favour of the ordinary wage earner of this country, it has been received with approval by businessmen. I wish to read some of the responses of businessmen, as reported in the *Kitchener-Waterloo Record* of October 23. One of them said:

It's a fair budget so far as the country is concerned, but it's a little rough on the average wage earner.

Another said:

It doesn't affect the investment business much because Mr. Benson didn't slap on a capital gains tax.

Another said:

The 2 per cent tax is not too onerous for anybody.

This guy should ask the ordinary guy on the street just how onerous the 2 per cent tax is. One businessman at least had the objectivity to say:

I would have liked to see a higher rate of taxation on people such as myself. It's sort of a punish the poor budget.

The ordinary man in the street has a meagre enough wage to work on. Increasing taxes beyond the present level will work hardships. Really, Mr. Speaker, this budget is a punish the poor budget. The poor of this

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country are being asked to pay for the government's mistakes.

Some hon. Members: Hear, hear.

Mr. Saltsman: If we accept the argument that taxes must be increased—I do not accept it and will have something to say about it later—why must it always be the little guy who pays? The bulk of new money will be raised by the 2 per cent social development tax which hits hardest those least able to pay. Thus our present, unfair tax system is made even more unfair by such an unfeeling levy.

The Carter commission on taxation said that Canada had one of the world's worst tax systems in terms of the burden it imposed on the middle and lower income groups. The Prime Minister in his just society, with his coat-tail hangers-on, could have implemented the reforms recommended by the commission, thus ending the privileges which have enabled many of the richest individuals and companies in Canada to escape their just share of taxation. Instead, we have a rejection of the general principle of the commission that "a dollar is a dollar and should be taxed as such." The minister seems to have rejected explicitly the concept that a buck is a buck. He rejects the principle that taxes should be based on ability to pay and that tax rates should be determined by what a person earns and not how he earns it. By applying this principle and eliminating all tax concessions now enjoyed by a privileged class much more revenue could be collected without increasing tax rates, which already bear too heavily on the working classes of this country.

There were sighs of relief in the Canadian mining, oil and gas industries when the new taxes were announced. I am sure that many corporate heads slept more soundly because of the minister's solicitude for their welfare. The minister introduced a mere proposed tightening of depletion allowance regulations, hardly affecting over-all corporate tax positions.

For equity and economic reasons the Carter commission recommended complete removal of both the depletion allowances and the three year tax holiday for the extractive industries. If they had been taxed the same way as other companies are taxed, these industries would, according to Carter, have paid \$150 million more in 1964 taxes. Perhaps they would pay more today if Carter's recommendations were followed.