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Edgar Benson's Socialist "Mandarins"

The federal White Paper on Tax Reform remains suspended like a Damoclean sword over the heads of Canadian business and certain classes of Canadian citizens.

Opposition to the proposed tax changes has come from almost every sector of business and industry. A tremendous volume of credible facts and figures has been produced to suggest the probable damage that could be done to the economy if the more stringent provisions of the paper are implemented.

Canada's urbane Minister of Finance Edgar Benson, heedful of the storm of protest, has been obliged to make some soothing sounds but without actually retreating from his original position and that is that the tax reforms are necessary, proper and long over-due. Mr. Benson promises to give careful consideration to the views of the White Paper's critics before proceeding to bring in legislation.

The uneasy business community draws little comfort from the Minister's bland brand of soothing sirup. And business has found still more cause for concern in a recent offhand remark by Prime Minister Trudeau that if the people of Canada did not like the policies of his government they could "lump it."

The White Paper, offspring of the Carter Report, has been cynically described as a document that bears all the trademarks of something hatched by a Socialist philosophy. Certainly the Trudeau Government has shown leanings in that direction. And there is no disputing that a not inconsiderable number of high-ranking civil servants in policy-shaping areas of the Trudeau Administration have had strong political ties with the former CCF-NDP government in Saskatchewan.

When the Thatcher Liberals deposed the CCF Socialists in Saskatchewan some of the former government's top advisers and planners gravitated to Ottawa and were placed in positions of influence in the federal civil service.

A number of these are now closely associated with Mr. Benson in the finance office. As senior aides and advisors they accompanied Benson to last June's Finance Ministers' Conference at Winnipeg.

Prominent in this group was T. K. (Tommy) Shoyama who joined the Saskatchewan Civil Service in 1946. From 1951 to 1961, he was senior economic advisor to the CCF Government and secretary of the Saskatchewan Economic Advisory Planning Board, a director of the government finance office, the Saskatchewan Power Corporation and the Saskatchewan Minerals Corp. When Tommy Douglas resigned as premier in 1962 to accept the national leadership of the New Democrats, Mr. Shoyama was granted leave of absence to put his considerable talents at the service of Douglas and the NDP.

Today, Mr. Shoyama occupies one of the top positions in the federal finance office. He is the Assistant Deputy Minister of Finance, federal fiscal policy and economic programs

branch.

The elite group of advisors around Mr. Benson includes a former deputy provincial treasurer of Saskatchewan — A. W. (Al) Johnson. Mr. Johnson joined the CCF civil service in 1946 and first served as director of the administrative management division of the government budget bureau.

Mr. Johnson is now listed in the Ottawa government directory as secretary of the Federal Treasury Board and economic advisor to Prime Minister Trudeau.

Another familiar face in the Benson entourage was that of Art Wakabayashi. Mr. Wakabayashi held a number of senior positions with the CCF, including director of the budget bureau and deputy provincial treasurer. He is now a senior officer in the Treasury Board.

Still another Benson man is W. L. (Bill) Haney who served the CCF government as administrative assistant to the provincial treasurer, commissioner of the local government board and later as board chairman. Mr. Haney joined the federal government in 1966 and is a senior officer in the federal-provincial relations branch, Finance Department.

The old CCF government of Tommy Douglas has contributed quite a lot of talent to the federal civil service. D. H. F. Black is another disciple of Canadian socialism who arrived in Saskatchewan after his defeat as a CCF candidate in Eastern Canada. Following the Thatcher take-over Mr. Black quit as deputy-minister of Industry and Commerce and wound up at Ottawa. He holds a senior position in the Canadian International Development Agency of the federal government.

Donald L. Tansley is vice-president of operations in the federal development agency. He is a former director of the CCF government's budget bureau, executive director of the finance office, chairman of the Saskatchewan Medical Care Insurance Commission, and acting deputy provincial treasurer.

The ex-Saskatchewanites in Mr. Benson's department are all highly qualified people. But in light of their previous political affiliation (and in most cases they were politically active) one cannot help but wonder to what extent they influence finance office policy and what part they have played in the drafting of the White Paper.

The New Democratic Party not only supports Mr. Benson's proposed tax reforms, but contends that the government should go much further in taxing business and Canadians in middle income brackets.

If this same position on taxation is expounded by the ex-Saskatchewan bloc in the finance office, who obviously have the ear of Mr. Benson, the task of persuading Ottawa to take a more moderate approach to tax reform is not made easier.

In view of the political backgrounds of the people advising Mr. Benson, it is perhaps not surprising that the White Paper is a document with a decided Socialist flavor.

Socialists Are Human After All

That certainly was a strange little drama enacted at the recent Ontario NDP Convention in Toronto when retiring Provincial Leader Donald MacDonald was honored with the presentation of nothing less than a Buick LeSabre by the party faithful. This car is no ordinary proletarian model designed to provide reliable transportation. An expensive American imported model, this Buick LeSabre is complete with such "capitalistic" extras as air conditioning and an automatic trunk door.

One would think the Socialists would like to reduce everyone to one common level of mediocrity could have set a better example to the rest of us poor mortals. Surely it would have been more in keeping if they

presented their retiring chieftan with, say, a Chevrolet or Ford or perhaps even a Volkswagen. It is hard to believe, too, that in the face of their repeated harsh criticisms of our good neighbors to the south they would select an imported American model car. Of course their apologists have been quick to answer this accusation by stating some of the parts are made right here in good old Canada.

However, the whole episode proves once again that even the most avowed Socialists really enjoy middle class affluence as much as the rest of us do. Scratch a Socialist and you will discover a human being with the same likes and dislikes, hopes and dreams as everyone else.

York County Lawyers Set Up Speakers' Panel

Schools, service clubs, welfare, estate planning, taxation, men's groups and other associations in York County will have an opportunity to learn about the law as a vocation, etc.

In making the announcement of the association's president, Ross Law Association, members groups to contact him or his secretary at 895-4571 and let panel with an aim to increase their knowledge of the law.

A number of lawyers practicing in the county will be available on request to speak on phone numbers of one or more subjects such as real estate, lawyers in their area who would



(Photo by Stuart's Studio)

Buy An Apple This Saturday

Saturday Boy Scouts and Cubs in uniform will be out in force to sell apples throughout York Summit District, the southern part of York County. Scout Apple Day is their one money-making event a year and the public is urged to show its support of this movement, which develops leadership abilities and makes good citizens, by buying an apple. There is no set price, so be as generous as you can.

At least one group of boys have gone all out to make the day successful. They spent last Saturday picking the delicious fruit they will be offering for your enjoyment.

In the montage above members of the 6th Thornhill Group which meets in the Bayview Glen Public School, exemplify the Scout Movement, which is seeking your assistance this Saturday. They are (left to right) Scout David Watts, Assistant Scoutmaster Bill Whelan and Cub Bruce Rose. Sponsor of this active group is the Bayview Glen and Area Association.

Letters to the Editors

AMERICAN UNIONS DOMINATE NDP

Dear Mr. Editor:

As an interested observer at the recent Ontario NDP Convention, I was puzzled.

Stephen Lewis was elected over Walter Pitman by 1,188 to 642, a margin of 546 votes. If we believe the press and the union leader interviewed on television at the convention, Lewis got at least 90% of 750 of the 830 union votes. The NDP regular party members preferred Pitman by about 642 to 438.

Lewis won on a radical, socialist, anti-American platform denouncing our branch plant economy and the domination of Canada by international

AMERICAN UNIONS DOMINATE NDP. S.T. VILLE — The east end business of Sanders Gulf, operated by Bill Sanders for the past 20 years, has been sold to Ken Roberts and Roy Ward, local men. The business will now be known as East End Golf. Mr. and Mrs. Sanders plan to operate a cottage and resort centre near Norval.

If the government is under the thumb of U.S. corporations and the NDP is under the thumb of U.S. unions, who speaks for the ordinary citizens of Ontario. JOHN MEDCOF Mount Albert

STOUFFVILLE — The east end business of Sanders Gulf, operated by Bill Sanders for the past 20 years, has been sold to Ken Roberts and Roy Ward, local men. The business will now be known as East End Golf. Mr. and Mrs. Sanders plan to operate a cottage and resort centre near Norval.

Keep The Future Green

(New York Times)

In an age that lives fiercely for the day, it is vital to have somebody thinking a generation ahead. While most of the world is preoccupied with the awesome problem of the moment, the Regional Plan Association and its president, Dr. John Keith, are trying to assure East Coast Americans of the open space they will need thirty years from now if there are to survive with any humanity in the megalopolis.

One approach to the preservation of urban sanity is to bring more green into the cities rather than drive citizens to the distant outskirts for relief. This involves conversion of river fronts, harbors and outmoded military installations from shabby blights to urban adornments with the refreshing quality of those greens and gardens that

relieve the concrete of European cities.

Besides converting and expanding public holdings in the cities, the association calls for the preservation of the Appalachian chain as a great "green backdrop." Specifically it proposes a park system of 10,000 square miles from West Virginia to Vermont which would give one-fifth of the nation's population easy access to one-fifth of the national parkland.

Financially, the necessary acquisitions both within and beyond the cities would come to some \$350 million a year for the next twenty years. A lot of money? Not when you contemplate the \$4 billion a year now going into the hard concrete of highways. Not, above all, when such acquisitions are viewed as the last breathing space which a society can still guarantee to its heirs.

Free Concerts Begin At Scarboro College

Once again this year the University of Toronto's Scarboro College is presenting a series of free Sunday concerts in the meeting place of the college, Military Trail south of Ellesmere Road in West Hill.

The concerts will begin half an hour earlier this year, at 3:15 pm, and there will be guided tours at 2:30 pm for visitors who wish to view the ultra-modern building.

The opening concert this Sunday will be presented by the Hart House Orchestra conducted by Boyd Neel. They will perform the works of Johann Sebastian Bach, including the Overture in G Minor and the Violin Concerto in G Minor.

The following Sunday the brilliant young classical guitarist, Martin Polten, will be the guest artist. There were many favorable comments following Mr. Polten's performance last year, reports Music Director Peter Butler.

The concerts between November 1 and December 20 will include performances by the Devonshire Singers, a Madrigal group directed by Gary Crichton; The University of Toronto Chorus performing Handel's Oratorio "Semele", a tribute to Canada Music Week by the Scarboro School System; and a special Christmas production of "Amahl And The Night Visitors" by Gian Carol Menotti conducted by Lloyd Bradshaw and produced by James Colbeck.

After Christmas there will be two symphony concerts conducted by Walter Babiak featuring works by Beethoven to honor the tri-centenary of his birth. There will also be an exhibition of the life of Beethoven at the college in February.

Each concert will run for approximately one hour with no intermission.

Markham Branch RCMT

Music teachers of Markham Township will have an opportunity to observe a demonstration examination when the Markham Township Chapter of the Royal Conservatory of Music of Toronto Alumni Association meets next Monday.

John Bailey, principal of the North Toronto Branch of the RCMT is to be a guest at the meeting, which will begin at 10 am and is to be held at the home of Mrs. E. G. Clark, Orchard Boulevard, Town of Markham.

An experienced examiner, Mr. Bailey will conduct the demonstration for the benefit of the members present.

WANT EXTRA INCOME?

A temporary job may be the answer. Read the Help Wanted Columns in "The Liberal" every week for job opportunities throughout York County.



DR. CLARENCE CHANT

DR. FRANK HOGG

Names Given Moon Features

Two former residents of Richmond Hill are among six Canadians (five astronomers and one physicist), all deceased, to be honored by having their names given to features on the rear of the moon. Both men were on the staff of the University of Toronto.

Professor Clarence Chant, who died in 1956, was the first director of the David Dunlap Observatory, located on the height of land in Markham Township, just south of the present town limits. He lived in Observatory House on the same property until his death. Dr. Chant is credited with giving a strong impetus to astronomy in Canada, as well as doing research in other fields such as reception by wire or electric waves.

Professor Frank Hogg, who died in 1951, was also director of the observatory. He lived on Richmond Street, served on the former Richmond Hill High School Board and was first chairman of the York Central District High School Board.

He was concerned with spectroscopic investigations and astro-navigation during World War II.

Lunar maps with the new nomenclature were circulated at the International Astronomical Union meeting in Brighton, England, last month. This is the third naming of lunar features. In a number of cases the same name represents more than one person. For instance Crater Hogg is also named for Dr. Arthur Hogg, an Australian astronomer.

On My Mother

When I was just a little girl Maybe four or five I'd look at my mother and think in alarm How can she still be alive?

Her hands seemed hideously wrinkled Her teeth were not her own Her eyes were generously crinkled She was destined to be an old crone.

But when I grew much older And could see through wiser eyes I was astonished to see she had cheated time Yet I thought time told no lies.

Her hands — no they weren't wrinkled They merely told tales of her life Of tending the ill and scrubbing the floor Of being playmate, mother, and wife.

Her eyes were suddenly lovely They sparkled and danced when she smiled Those crinkles around the corners Were there thousands of laughs had piled.

Old? — No she is far from old Far from a cane and grey head She'll never be old to her many friends Not even when she is dead.

And when the grass is green on her grave When the grief of her passing is less Her memory will always be one of joy The echo of her laugh a caress.

ANGELA COX, 114 Hall Street, Richmond Hill.

Crashed Thru Window, Stood Naked In Cell

Frank Grimm, 17, of Newmarket will appear in the Ontario Supreme Court at the next assizes, on a charge of unlawfully being in a dwelling house. He was committed for trial in Newmarket Provincial Court, October 9.

Peter Hay of Newmarket testified the youth crashed head-first through his living-room window April 28 at 2 a.m. Mr. Hay said he ordered his wife and daughter to lock themselves in a bathroom, then he and his son struggled with the uninvited visitor through the house for 10 minutes, until police arrived.

Further testimony revealed that it took two officers to subdue the young high school student. It was also reported that Grimm stood naked in his cell for two hours, demanding that police bring him "a pure, untouched virgin". Judge Russell Pearce dismissed a charge of common assault against Grimm.

Commons Committee Suggests Six Major Changes White Paper

White Paper On Tax Reform - Part 3

By BARNEY DANSON MP York North

The publication of the White Paper itself was Part 1. The public hearings and national debate were Part 2. The report of the Commons Committee On Finance is Part 3. I urge you to secure copies of this report from the Queen's Printer in Ottawa. It will give an interesting insight into the considerations which must be taken in structuring a satisfactory tax system.

For the most part, the report is in layman's language, though certain complex sections may be tedious reading. Your reaction will be of interest to me. The reaction of the government is crucial.

In my initial column on the White Paper itself, I indicated six principal areas which I thought required some very serious thought. Our report suggested modification in each of these areas which largely reflect my own thinking. It is impossible to try and cover the report in this report. It is a necessarily long report going into the background of our thinking and alternatives. I shall, however, highlight those areas which some 3,000 letters indicated to me were of prime concern in York North.

Firstly, I should mention that our three principal conclusions were that (1) the tax load on lower income Canadians should be reduced; (2) there should be some sort of capital gains tax; (3) growth of the economy must be a central consideration in our tax system.

HIGHLIGHTS

• The income of a single person should not be reduced by income taxes below \$1,500 for a single person, or \$2,900 for a married couple as suggested in the original proposals.

• Deductions for child care expenses, when both parents are working, up to \$500 per child under fourteen, or a maximum of \$2,000 per family, as originally proposed.

• Employment expense, for such things as tools, special clothing, etc., of \$150. We further recommended that this be increased as soon as possible to include greater amounts if substantiated.

• Unemployment insurance premiums deductible and payments received to be added to the total yearly income for tax purposes.

• Expenses involved in moving to a new job to be deductible.

• National amateur athletic associations and gifts of art, scientific collections,

to public institutions to be added to deductible charitable donations.

• The maximum rate of tax to be reduced only to 60%, rather than to 50% as proposed in the White Paper.

• The 50% rate to apply in the range exceeding \$30,000, rather than approximately \$25,000 as proposed, and the maximum 60% rate apply on that exceeding \$60,000.

• More generous income averaging provisions, particularly for widows and orphans.

• The possible retroactive effects on lump sum withdrawals and profit-sharing plans eliminated.

• Capital gains generally at half the rate of one's personal income tax.

• Principal residence, including one acre of land, exempt from capital gains tax.

• Capital gains tax not to apply to sales of personal property at a price of \$1,000 or less per item or set, losses on items or sets costing under \$1,000 not allowed.

• No capital gains on shares which increase in value after Valuation Day if the sale price is less than that actually paid prior to Valuation Day.

• Substantial revision of estate tax laws which would eliminate federal taxes of estates below \$150,000 and

the maximum rate of tax not to apply on estates under \$800,000, rather than the present \$300,000. (Agreement to be sought with the provinces as they are the main recipients of this tax and also levy own succession duties.)

• Widely-held (public) and closely-held (private) companies to be treated much the same insofar as the integration of income is concerned. There is an option recommended to permit closely-held Canadian-controlled companies the advantage of full integration. This is a complex and widely misunderstood area of the White Paper proposals which our report covers in considerable detail and is worthwhile reading for every businessman.

• Incentives to smaller growing businesses. (This is the subject of a special study by the Department of Finance. The principal objective is to provide the necessary capital for a small company to grow, rather than a tax advantage for incorporating which others don't enjoy.)

• Conventions, seminars and business expenses continue to be deductible where reasonable and necessary.

• Mining and oil industries to continue to receive special consideration. In most respects this will re-

quire a greater degree of qualification than at present.

• Professionals to account on an accrual basis, as is normal business practice, with fair reserves for write-off of doubtful or bad accounts. Work in process not included.

*** This is as brief as I can possibly be and still cover the areas of major interest. Many of these highlights are qualified or expanded in the report itself. There are, too, many areas such as utilities, goodwill, foreign source income and others which I have not attempted to cover here.

We have tried to make certain that most Canadians do not pay unduly for the benefits few may enjoy. Hard arithmetic still hits the upper middle income earner the most, yet the increases in this income range are not major and are certainly much less than they would be if other forms of income, such as capital gains, were not subject to taxation. (In the proposals, the increases for the "average family" — a married couple with two dependent children under sixteen — are \$17 if the income is \$10,000, \$177 if \$15,000. The latter figure is the maximum increase in the \$10,000 to \$30,000 income range. By contrast, the reductions for the same

size family with an income of \$8,000 is \$83, or \$96 at \$6,000.)

These rates may be modified as a result of our other proposals and Finance Minister Edgar Benson has committed himself to rate reductions if the total package results in income beyond current budgetary requirements.

In summary, we have tried to make proposals which are fair, acceptable as any taxes can be, as reasonably understandable as any taxes can be, allow for appeal procedures, permit advance rulings (already announced by the Minister of National Revenue), avoid retroactivity and permit the greatest and most healthy growth of our economy in a society which moves a bit closer to one that is just.

We now look forward to Part 4 which is the legislation in the spring. It should very much reflect our recommendations.

I have a limited number of copies of this report if you write for one. Otherwise, they should be available from the Queen's Printer, Ottawa, or at 221 Yonge St., Toronto. I shall also see that copies are available for reference at all public libraries in the federal riding of York North as well as the offices of the weekly newspapers.