

Income Tax Act

for most people represent a yearly saving of about \$100. This would amount to \$25 each for a family of four or, reduced to less astronomical terms, approximately 50 cents a week each. How far will this go in meeting the grocery bill when the cost of living is increasing month by month? When the ordinary citizen starts thinking about Canada's natural wealth, productive capacity and the income of the not inconsiderable numbers of the elite in this country, he will begin to wonder.

• (12:30 p.m.)

I wish now to deal with the one million people to be removed from the tax rolls. Why are they being removed? The simple reason is that they do not receive enough income to pay any taxes. What greater indictment of the policies of this government could be found? One million Canadians will be removed from the tax rolls because they do not receive enough income to pay income tax. The people being removed from the tax rolls will still have to pay all kinds of other taxes such as sales tax, which bears most heavily on those with the least income. In addition to their lack of income, these people are now going to suffer a great wrong. A democracy is supposed to be a country in which all the people take part in the affairs of that country. The ability to pay taxes means that one has a stake in how the country is run and participates effectively, according to a proper share of one's income in carrying on the activities of the country. Because they have so little income, one million Canadians will have lost that right. They will have been shunted aside as surplus to the mainstream of life in Canada just as surely as many others have been shunted aside before them, those with insufficient income. Thousands and thousands of young people have apparently been shunted aside forever as far as this government is concerned because they are considered surplus to the mainstream in Canada at this time. In my view, getting enough income to live properly and still have enough money to pay taxes should be a basic right of every citizen.

There are certain features of this tax bill which represent an improvement over the present situation, such as the \$500 allowance for child care, the provision of up to \$150 a year to enable a wage earner to equip himself for his job and the increased exemptions for individuals and dependents. However, in comparison with the benefits provided for those in higher income levels, these improvements, welcome as they will be, pale into insignificance.

When we know that the cost of proper child care is several times the \$500 allotted by the tax bill, we realize how much better off a person is whose taxes taper off as he reaches the higher levels of income where there is plenty of money available for proper child care. When we know that business executives and self-employed people are permitted almost unlimited deductions for expenses incurred as a result of their occupation, the \$150 allowed the wage earner for equipment appears insignificant indeed. When we realize that many still on the tax rolls are below the poverty level determined by the Economic Council of Canada, while many others who have acquired great wealth can transfer this to relatives or friends without paying either a gift or inheritance tax, we can only ask: Whatever happened to the idea of the Just Society? How can the government justify a policy which permits

[Mrs. MacInnis.]

the handing over of accumulated wealth to those who have not done anything to earn it while the ordinary wage earner must pay tax on every cent he earns, apart from his deductions?

Speaking of exemptions, this party deplores the government's rejection of the Carter commission's finding that it is more fair and just to provide tax relief in the form of tax credits than through increased exemptions. A system of exemptions provides a greater benefit to those in the higher income brackets than those in the lower ones. Tax credits, on the other hand, provide the same benefit to all. In the hands of a government anxious to help those in lower income brackets, tax credits could be designed to give greater benefit to those whose need is greatest. However, this government at every turn insists on giving proof of the observation in the Bible that "To him who hath shall be given and from him who hath not shall be taken away even that which he hath." This government is adept at trying to squeeze out the last drop of blood and cut off the last pound of flesh from the have-nots. The have-nots are beginning to find out the truth, even though they have been led to believe the contrary from the propaganda that this government has been turning out in such vast amounts ever since it has been elected. People all across this country are beginning to notice the way in which this government favours the wealthy and powerful at the expense of the small taxpayer. They are beginning to resent a taxation system that permits large commercial interests to pay only 50 per cent tax on their capital gains while small savers, without much left to go on, must pay 100 per cent tax rates on the small amounts they have been able to lay aside.

I wish to read a pungent comment by a woman taxpayer in Gloucester County, New Brunswick. One does not think of New Brunswick as being a place which fosters radicals in vast numbers, but this woman has hit the nail right on the head. She writes:

Apparently, there is no provision whatever to encourage the small saver. It is mostly certain that a capital gains tax will be introduced. Thus, a person receiving a gain in shares, for example \$100.00 will be taxed on half of the amount, that is, on \$50.00 only. However, the small investor, due to lack of knowledge about shares, or because he is just too poor to risk his money on the stock market, usually invests in Canada Savings Bonds or handles a savings account in a bank. However, if this person receives, for example, \$100.00 in interest, he is subjected to pay income tax on the full amount at full personal rate. It is definitely unfair and illogical! Is this the fair taxation system preconized by the Trudeau Government?

I suggest it will take many months of communication on the part of the Prime Minister (Mr. Trudeau) and the government to convince this woman and thousands like her that this tax bill is heading toward the Just Society. They know where it is heading. It is heading in exactly the opposite direction.

One of the positively bad features of this tax bill was dealt with at some length by my colleague, the hon. member for Regina East (Mr. Burton). I want to deal with it briefly now. I refer to the unfair way in which the tax bill bears down on co-operatives and credit unions. Although members of co-operatives pay full tax on dividends received and full tax on retained earnings, previous tax measures levied on them in addition a 3 per cent tax for capital employed. This tax has now been increased to