

● (2212)

The minister should be complimented for removing the threat of taxation on insurance policies. The government has been flailed continuously for introducing that measure in the House. The government was rightly flailed for that. The government received many representations from our side of the House indicating that this was a bad thing. Perhaps also it received letters from constituents saying that the government should not reach its icy fingers into the grave in an attempt to get money. That underscores the essential problem faced by the government. It sees taxation powers as an opportunity to tax as much as possible, rather than as little as possible. In that the government spends as much as possible, rather than as little as possible, it can easily justify a philosophy of taxing as much as possible. When the government realizes it has missed an opportunity to tax, it looks upon that as a loophole.

Until now insurance policies and their interest have not been taxed as accrued savings. Now the government considers that to be a loophole. Surely everyone is justified in plugging a loophole, which is acceptable if in fact it is such. Over and over it has been demonstrated by the government that part of its philosophy is to tax as much as possible.

Mr. Young: Mr. Speaker, I rise on a point of order. I wonder if the hon. member would permit a question?

Mr. Friesen: I would permit an intelligent question, but I am not sure I will receive one from this hon. member.

Mr. Young: Mr. Speaker, I can provide the hon. member with an intelligent question. I was interested in his comments regarding the necessity of having a social insurance number when cashing in coupons or Canada Savings Bonds, and the fact that a person would suffer a 25 per cent deduction if he has no social insurance number. I should like to indicate that not all Canada Savings Bonds and coupons are held by the proper holders. As I am sure the hon. member is aware, some get lost and some are stolen. The fact that a person would be required to have a social insurance number in order to cash his bond or coupon could make it possible to trace the cashing of a lost coupon or bond. I am putting a question to the hon. member. Does he not agree that there are benefits? I am putting the question to him.

● (2217)

An hon. Member: Then be brief.

Mr. Young: I will be brief, and I will tell the hon. member for Hamilton West (Mr. Alexander) that I can give him a specific case in point which would have been quite easy to prove.

Mr. Deputy Speaker: Order, please. The hon. member should stick to the question.

Mr. Friesen: If that is a question, then I would hate to see the hon. member make a speech.

Mr. Young: Answer the question.

Income Tax

Mr. Friesen: It is plain to see, if that is a question, why he is still a bachelor.

Some hon. Members: Oh, oh!

An hon. Member: That was a low blow.

Mr. Friesen: Yes, that was a cheap shot, but I could not resist it.

Mr. Alexander: We apologize on this side.

Mr. Young: Answer the question.

Mr. Friesen: The question of the hon. member—

An hon. Member: You have forgotten the question.

Mr. Friesen: The time has come for us to be serious.

Some hon. Members: Hear, hear!

Mr. Friesen: The trouble is that the government takes all of its taxation powers very lightly and it taxes so glibly that it does not mind walking all over the people in the process. The hon. member raises a very good point, but anybody who has had experience with bonds knows that they must be counter-signed. At the same time there is no certainty that you will eliminate all the injustices in society. The President of the Treasury Board (Mr. Andras) looks at me. I think he is saying that I am right and that what I am saying is true, because he has had experience in the Department of Employment and Immigration and knows that we cannot build a wall high enough to ward off all injustices.

Let me come back to what the hon. member for Niagara Falls (Mr. Young) raised, that is, the matter of the coupons. He knows very well that there are elderly people who have never had a social insurance number. Will they now have 25 per cent taken off those bonds? It seems to me that it is trying to kill a mosquito with a steamroller, which is hardly justified.

I want to raise another point, and I hope the hon. member for Niagara Falls will agree with me on this one. I received a representation from a group of firemen in my constituency some time ago which raises another important point with regard to taxation policy, that is, that the government very easily, sometimes through oversight, makes money on inflation through its policy on deductions. In this case I was asked if I would make representations to the Minister of Finance to have section 5(1)(viii) on the subject of income revised. The section reads as follows:

Such part of the aggregate of allowances received by a voluntary fireman from government, municipality . . . as does not exceed \$300.

That was put into the Income Tax Act ten years ago. Since that time allowances to volunteer fireman have at least doubled, if not tripled and quadrupled in some cases depending on the municipality, and yet the deduction is still \$300. Inflation has put a burden on these people because the deduction has stayed the same but the tax has increased. Here is where I take some heart from the nature of the Minister of Finance. I believe he listens and he wants justice for the people of