

Income Tax Act

about COLA clauses. Take a look at some of the contracts. As a matter of fact, 90 per cent of the workers in this country are not protected as a result of COLA clauses.

Mr. Evans: Prove it.

Mr. Riis: Now we have identified a nice group that we will protect. Let me put my question simply, calmly and quietly. On this particular issue one has a difficult time remaining cool and calm because of the boondoggle which the Government is pulling on the people of Canada by protecting such a very small group of people. But it is good for the brokers and it is good for those who speculate—I want to emphasize the word speculate—in the stock market.

Mr. Blenkarn: The speculators.

Mr. Riis: This will do very little to help the long-term investors, those people who are prepared to invest in long-term securities in this country. I want to ask the Minister for some help.

Mr. Blenkarn: We agree.

Mr. Riis: We have this red Tory sitting adjacent to us here to assist us in this endeavour. I want to put this question to the Minister with all due respect because I believe he is a serious Minister. How do I explain this provision, not to those in the investment community in my constituency but to those who are working in the copper mines and the sawmills who are not protected by COLA clauses? What about waitresses in restaurants and clubs? How will this benefit them? Presumably, what we do here is try and introduce legislation that will benefit Canadians, not tiny groups of Canadians. How will this benefit Canadians in my constituency?

Mr. MacLaren: Mr. Chairman, I sense that my colleagues, the Hon. Members for Mississauga North and Ottawa Centre, have been stimulated to respond to this observation as well. There may be an opportunity for them to speak, but since I was asked by the Member opposite to comment, I want to take the opportunity first to do so.

I listened with attention to what the Hon. Member said. He described himself as a country boy from the west. I do not know if I can describe myself as a country boy, but I am certainly from the west. I share his interest in those who might not see themselves as having an opportunity to benefit from the ISIP program which we are discussing. The Hon. Member, however, overlooks that there are a range of programs and practices within the purview of the federal Government which do offer the individual the same sort of shelter from the adverse impact of inflation that the investor in common shares is offered by the ISIP. One could offer the Member opposite a list. I do not intend it to be comprehensive, but income tax, of course, is indexed, income tax brackets are indexed, exemptions are indexed—

Mr. Blenkarn: Except for children.

Mr. MacLaren: —the child tax credit is indexed, family allowance is indexed, Old Age Security is indexed, the guaranteed income supplement is indexed, the Canada Pension Plan is indexed and UI benefits are indexed. In those areas where the national Government has the opportunity, we have moved to provide indexing to the degree possible. We have also been looking, as I mentioned yesterday, at other areas of income and asset growth which can also be sheltered from the adverse impact of inflation.

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I suppose there may be a more fundamental problem at work; that is, the Hon. Member opposite may have some difficulty with the purpose and role of the stock market in our economy or society generally.

Mr. Riis: That is not the question.

Mr. MacLaren: It may be that he and I have a fundamental difference of view on the benefits to Canada of a dynamic and aggressive stock market with investors participating in it. The basic purpose of ISIP is to encourage Canadians to make equity investments in Canadian public corporations. All Canadians are encouraged to invest in such enterprises through their own ISIP. I cannot help but think that the Hon. Member opposite would agree that infusions of capital are bound to strengthen our corporate structure, our corporate system. A strong corporate sector means a strong economy and ultimately a better life for all Canadians.

Mr. Blenkarn: What infusions?

Mr. MacLaren: We have that broad factor in mind in offering to investors the opportunity, as I said the other day, to immunize themselves from the adverse effects of inflation on capital gains in their investments in common shares. Perhaps, Mr. Chairman, my colleague could add a word on this, if you would allow him to do so.

Mr. Fisher: Mr. Chairman, I just want to add one more comment about the tax system favouring one group instead of another or at the expense of another group. The Minister pointed out very clearly that various individuals in society enjoy different protection from inflation. Perhaps the most universal of that protection would be through the income tax system.

Mr. Riis: What groups would have their incomes protected?

Mr. Fisher: I hear the Hon. Member. I would say that all Canadians enjoy the benefit of an indexed personal income tax. Of course, that is something which the United States does not have. As the Minister pointed out, senior citizens receive the benefit of indexation through the CPP, OAS and GIS. Families obtain it through family allowance payments. The unemployment insurance benefits are indexed as well.

Mr. Riis: What about wage earners, salary earners?