

a salary of \$15,000, \$16,000 or \$17,000 is not particularly impressed because, like many people in Canada he needs every single cent he earns to make ends meet. Those are the people who need support, who need help, who need a breather, some kind of break so as to be able to come to grips with their financial problems.

Under the present circumstances, wealthier people, people who are better off could assume their real responsibilities and make a greater contribution than the Government expects from them to bring down the deficit. Even though the Bill affects people who are well off, high income people, it does not really amount to much because, the situation being what it is, those people who are rich and fairly well off could think in terms of the community and of their fellow citizens and lower their standard of living to a certain extent. This would make it possible to maintain, sustain and guarantee a certain balance within our Canadian society, for those people have untold opportunities to lighten their tax burden. Just as an example, I think that capital gains is a good illustration. Supposing that the measures contained in Bill C-84 affect a hypothetical case or file, it would be possible to collect an additional amount of \$2,000 or \$3,000 from a taxpayer; yet, over the next two or three years that same taxpayer will be able to make a profit of \$30,000, \$35,000 or \$40,000 as a result of the capital gains incentive offered by the Government.

In my opinion, Mr. Speaker, people who earn \$20,000 or less are not in a position—in the short, medium or long term—to benefit directly or indirectly from the measure which allows Canadian taxpayers to deduct their capital gains up to a fantastic amount. The only people who stand to gain anything at all are those who are rich and well off, those who have jobs and make profits, those who are therefore quite capable of coping with just about any financial difficulty. Mr. Speaker, low wage earners have no such opportunity, they cannot claim such tax exemptions, and they are the victims of the system which, given the hard times we are going through, should help them but instead saddles them with so many direct and indirect taxes and surtaxes.

Mr. Speaker, we have to realize that the rich are badly outnumbered by the poor. Although there are legions of poorer people, the way this Government behaves shows that their lobbying does not really weigh much in the balance. What amazes me is that it does not seem to register that those taxpayers, average Canadians, are consumers, they create jobs and keep the economy going. The minute their ability to pay is substantially reduced, it means that they have precious little left to spend. Inevitably this will result in a sluggish economy.

As far as I am concerned, I just cannot let the Government go ahead with this initiative without expressing the indignation of the vast majority of my constituents who, for the past 18 months, have been shocked by the Government's obstinacy to reduce the deficit on the backs of those who cannot afford it, who are unable to pay a little more than what they are paying already and which is already too much.

Income Tax Act, 1986

These taxpayers are aware, as you are and as we all are, that our country is faced with an enormous debt and that we must strive collectively to improve the financial situation. But what they feel and unfortunately cannot always express, and it is our responsibility as the Opposition to speak out on their behalf, because you are totally unaware of it, what they want to say is this: Get the money from those who are able to pay. Leave us alone for a few years, so that we can breath. We are experiencing difficulties and we cannot sacrifice ourselves more than we have already been doing in the last few years.

Mr. Speaker, the reason I chose to take part in this debate is to denounce once more this absolutely unacceptable and intolerable decision of the Government to get the money from the low-income earners and to leave alone the affluent, the rich, in the hope that they might invest.

This is an approach which I find totally unacceptable under the circumstances, and I say to you: Go on like this and the Canadian people will soon show you, through opinion polls, what they think of this approach and this type of administration.

[English]

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have a chance to speak on Bill C-84, the income tax Bill, and particularly the deindexation of the income tax scales. The impact of that decision made by the Government will be very disadvantageous, particularly for young Canadians and lower income Canadians.

The entire Budget was a very regressive document. Not only did it deindex the family allowance benefits and old age pension benefits but it deindexed the income tax scales. According to the projections of the Department of Finance for 1985-86, the increase in income tax collected due to this deindexation will amount to some \$80 million. By the first full fiscal year in which the provision will be in effect, that figure will be \$570 million. By fiscal year 1990-91, the income tax collected will be increased each year by \$4.36 billion. That is a massive tax increase.

That massive tax increase can be compared with the publically advertised position of the Conservative Party in 1980. The Government has really broken faith with the commitments it made at that time. In 1980, the Conservative Party put out an advertisement which read: "You've heard a lot about the Constitution lately but how much have you heard about deindexing of the income tax scale?" This ad which was placed in the public media at that time indicated that a person earning \$15,000 per year would in fact pay some \$217 more per year in income tax because of the deindexation. Now, five years later, the Conservatives are bringing in the exact legislation which they spent their Party's money opposing in 1980. The advertisement goes on to say that the Progressive Conservative Party of Canada is providing the opposition. Well, it