

Family Income Security Plan

provide real incentives for people to remain in the labour force and not to go on welfare. So a combination of these two policies would take care of the most difficult problem over which this country and those concerned about poverty have agonized for many years.

The NDP is voting against this legislation and they wonder why we in this party are surprised. They wish to go to the people of Canada with this cynical, political device. I submit that if they do they will be truly repudiated. The NDP states that they do not like this selective approach; they wish to adopt the universal approach; they would pay everyone a universal benefit irrespective of income, and they would not only double the present family allowances but, as their amendment indicates, they would increase them substantially over that which the FISP legislation before the House provides. Everybody would automatically ask: How in the world are we going to pay for this?

The hon. member who moved the amendment suggested that we amend the tax legislation but he does not say what amendments he would make. He is appealing to the middle income group by telling them that we should double or more than double their benefits, but he does not give any detail on how he would collect this money through amendments to the tax legislation. I wonder how naïve he thinks middle income group earners are whom he is subjecting to such a cynical and blatantly superficial appeal for their support? These people know very well that if there is to be a redistribution of income in favour of those in the lower income group, someone has to pay for it. When the New Democrats talk about amending the tax legislation they mean that these benefits would be paid from taxes. The intelligence of the middle income group cannot be insulted in this way.

Let us consider the figures given by Douglas Fisher in the article in the *Sun* from which I quoted a few minutes ago. He indicated that those making \$10,000 a year and over—as we know, under the present tax structure they are in the 35 per cent tax bracket—constitute only 11 per cent of the total number of taxpayers in this country. To only double the benefits under the bill presently before the House—not more than double them, as the NDP would have it—would cost roughly an additional \$700 million a year. We know from these figures that only 11 per cent of all taxpayers in this country earn \$10,000 or more a year.

Where would the leader of the NDP get the additional money to pay the \$700 million that he wishes to pay out in universal benefits? Is he going to tax this 11 per cent? If he wanted to recover that \$700 million a year from 11 per cent of the taxpayers in Canada, he would almost have to apply a 100 per cent recovery rate through taxes; and even if he took back dollar for dollar the amount of the family allowance they receive he could not collect the \$700 million which is necessary. So who do the NDP think they are fooling?

The NDP talk about the Canadian Council on Social Development which recommended universality. What they did not mention in any of their speeches is that the council recommended special recovery rates. The NDP would pay these cheques to all the mothers of this country and then they would take the money back from the wage earners in the form of income tax. They would pay out the

[Mr. Munro.]

money on the one hand and on the other take it off the husband who is earning a salary, at a 100 per cent recovery rate. The wife would go out and spend the monthly cheque and the husband would lose the money from his salary dollar for dollar.

How naïve do they think the middle income group is, to be fooled by this blatant charade according to which money would be given on the one hand and then taken back dollar for dollar from the income of the wage earner? Even so, the bill amounting to \$700 million could not be paid. If the recovery rate through the taxation of many in the high income group was less than 100 per cent, there would be a significant wastage of funds. Money would be given to people who did not need it, to those in the high income group, and millions of dollars which could go to those in the lower income group who need it would be wasted.

Mr. Speaker, I do not think that the middle income group will be fooled one bit by this charade when they know that almost 90 per cent of the taxpayers in this country are below the \$10,000 a year income level. They know that these bland promises are cynically thrown out in an appeal for their vote. They know, also, that the money has to come from somewhere, that it cannot come from just the 10 per cent earning over \$10,000 a year. They know it is impossible to finance arrangements of this kind in that way.

Perhaps the leader of the NDP would suggest that we increase corporation taxes. What would he do? Let him be frank with the Canadian people. Would he increase corporation taxes by 10 per cent? My figures indicate that that might bring in roughly \$230 million a year.

• (1600)

An hon. Member: What about the resource industries?

Mr. Munro: Would he increase corporation taxes 20 per cent? According to the law of diminishing returns, that would bring in perhaps another \$150 million a year. In effect, this would pay roughly only half of the bill that the Canadian people would have to meet as a result of the amendment the NDP are now advancing. Let them be specific. They are not fooling anybody. They say they are going to have special recovery rates. Are they going to give the universal benefit to the middle income group on the one hand and then take it back, dollar for dollar, at a 100 per cent special recovery rate? If so, will they apply that special recovery rate at the \$8,000, \$9,000 or \$10,000 income level? Why try to delude the middle income earner? Why try to deceive him by in effect saying you are defending him at the expense of the poor?

Then there was the statesmanlike approach taken by the hon. member for Winnipeg North. He gave the example of a steelworker in my riding and said he would lose marginally on the benefit to be paid.

Mr. Gilbert: That got to you.

Mr. Munro: Yes, that got to me. I would like the hon. member who is cynically trying to appeal for votes from that group to come with me and see whether the steelworkers in my riding are as naïve as he thinks they are. I can tell him that they are not nearly so naïve as he thinks