

Taxation Reform

and run a new document under it. In this way we may have some hope of reasonable tax reform.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I suspect we are getting fairly close to the passing of the motion for the reference of this white paper to the standing committee. Before we reach that stage there is one point which was made earlier in the debate which I should like to emphasize. In another context I suppose I would have a text—it is that old precept, justice delayed is justice denied. If there is anything in this white paper that is good—and despite the remarks just made by my hon. friend I suggest that there is—it is the admission that there are at least 750,000 Canadian taxpayers who should not be paying income tax.

The Minister of Finance (Mr. Benson) has been running around the country boasting of this fact, saying that one of the things his reform will do is take 750,000 taxpayers in the lower income brackets off the tax rolls. Mr. Speaker, this claim is, I assert, an admission that these people ought not to be paying income tax now. If the government insists on putting these measures off until 1971, it means that for another year—not to mention the year 1969 for which income tax has yet to be paid—750,000 people should not be paying tax are, in fact, required to pay it. This includes not only those in the lower income brackets who get caught with the \$1,000 and \$2,000 exemption levels. It includes many old age pensioners, particularly those between the ages of 65 and 70. Indeed, hon. members no doubt know that if pensioners in that age group are drawing the guaranteed income supplement, they must pay back part of that so-called guarantee in income tax.

• (3:50 p.m.)

The minister tells us he will correct that situation when he raises the exemption levels to \$1,400 for single people and \$2,800 for married people. I think the exemption level ought to go much higher, but at least that much will be done. Unfortunately, it will not be done until 1971. So here we have a clear admission that an injustice has been perpetrated against many people. But that injustice is to continue for another year. I say that justice delayed is justice denied.

Since the government has finally admitted that it ought not to tax people whose incomes are below \$1,400 when single and \$2,800 when

[Mr. Baldwin.]

married, it ought to put that part of its proposals into effect right away. That has been suggested in this debate more than once. The government has had a chance to answer us. Its answer is that it cannot put this program into effect piecemeal; that it is a package and that it must be put into effect all at once. It tells us that it could not raise these exemption levels without imposing all the other taxes on all those who are in the higher tax brackets. It cannot raise the exemption levels now, it says, because the balance of ways and means would be destroyed and the government would have a deficit.

I will not go into the economics of that argument, although I should be glad to do so. But may I make this point as clearly and with as much force as I can: That is a way of saying that the finances of this country must be carried on for another year by taxing the poor, by taxing old age pensioners who are on the guaranteed income supplement and by taxing people who have an income of less than \$1,400 when single and \$2,800 when married. I submit that the finances of this country are not worth maintaining if we have to dip into the pockets of people at that income level to keep the country going. Surely we have the wit to do something better and to be more just.

An hon. Member: Not over there.

Mr. Knowles (Winnipeg North Centre): Someone behind me has just said, "Not over there." Surely there are people over there with wit enough, even half a wit, to see that action is taken on this issue. That is the main point I wished to bring forward.

The white paper has been examined thoroughly by all who have taken part in the debate. I say that one good thing to have come out of these proposals is the government's admission that at least 750,000 people are now paying income taxes who ought not to be paying them. If that assumption is true for 1971, it ought to be true for 1970 and for 1969. Unless the government brings into effect that provision right away it will be, by delaying justice, denying justice to many thousands of our Canadian people.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, my remarks will be brief, something which no doubt will please the hon. member for Lanark and Renfrew (Mr. McBride). Not only the old people of the country are interested in our tax reforms, but our young