

Income Tax Act

to cover only those who are in need of medicare. This would cut the total cost of medicare by 70 per cent. Under these circumstances I am sure every province would have been happy to opt into the program. We then might have had this program two years ago, or at least a year previous to its inception. Under these circumstances we would know where the costs were being incurred and what they were, and it would not have been necessary for the minister to cut back the resources fund in respect of medicare. This, I might say, was a very disturbing step.

• (4:40 p.m.)

We should have embarked upon a program of medicare coverage for those who need it. This has not been done; instead, the government has imposed a tax that hits everyone. Those of us who practise medicine know that the poor have been looked after. Under previous medical schemes doctors as individualists have collected 70 per cent to 80 per cent of their accounts and the rest have been written off. Any doctor will tell you that this is a fact. As a matter of fact, the Minister of Finance does not need any proof of this; he knows it because he is an accountant.

We now have a situation where we are taxing those who can least afford it. They are being taxed in the same way as the millionaire. This is not just. The same principle is involved in this situation as that which applies to the old age pensioner between the ages of 65 and 70 who has to pay half his medicare costs and all his hospitalization costs. This is anti-social. The province of Ontario is now considering allowing people on welfare to perform some work without their welfare payments being affected; yet the federal government proposes to penalize people by way of this measure. The principle is wrong; these people should not be taxed any further at present tax exemption levels.

I am sure the minister has a great deal of common sense. He can get around this problem by raising the income tax exemption. He knows as well as anybody in the house that the income tax exemption was last raised in 1948. I ask hon. members to consider the cost of living today. It has risen tremendously. The cost of living index is now well over 150; in fact, it is about 160. I cannot keep track of it because it escalates so rapidly. Nevertheless, the income tax exemption has not been changed since 1948. Despite this fact, we in the house talk about social justice. I know that the minister fully appreciates the situation because he, like myself, was fortunate

enough to come up the hard way and worked his way up in the world. I am sure that upon consideration he will introduce legislation which will make taxation changes that I suggest are necessary and that he knows are necessary. In the meantime, Mr. Speaker, I shall support the amendment of the hon. member for Winnipeg North Centre.

[Translation]

Mr. Rondeau: Mr. Chairman, the amendment before us is certainly in order, because we cannot ignore clause 104, even if the hon. member for Trois-Rivières (Mr. Mongrain) says that we are recommending a Santa Claus policy. We do not think that parliament is Santa Claus, we never said so and we do not rely on a Father Ovide policy, either.

It is unfortunate that we are unable to maintain the discussion on a higher parliamentary level, and that we have to listen to statements as stupid as these.

Mr. Chairman, the 2 per cent tax on taxable income or the \$120 maximum imposed will result in those with an income of \$6,000 or more paying not more than those with a lower salary.

Where, then, is the just society? In fact, there is no just society if a person earning \$6,000 is treated in the same way as one who earns \$10,000 or more, even though we are opposed to the principle of the present type of income tax. It is foolish to say that the government must apply the same principles as the insurance companies, that we must buy an insurance policy and pay for it.

To date, the insurance companies have shown that for the same amount of money, no government, whatever the hon. members on the Treasury benches may say, can offer a better bargain than the private companies.

This government goes astray in attempting to provide, in the place of private companies, medicare to Canadians. We know by experience that the government cannot, because of bureaucracy—and it is simple to consider that subject—offer as many benefits, and as efficiently and competently as private companies did in the past.

When the government speaks of social development with regard to medicare or other things that it intends to introduce, it is ridiculous to ignore private competition as we have always known it, and which gave us both service and efficiency.

It is also ridiculous to base social development on one tax. Nothing in this bill guarantees that this 2 per cent, this \$120, will be