

The Budget—Mr. Stanfield

Mr. Stanfield: Mr. Speaker, in 1968 a surtax of 3 per cent was placed upon personal and corporate incomes. In 1969, the minister added a further 2 per cent social development tax. All this was in addition to the substantial increases in personal income tax brought about by continual and serious inflation. So, there have been severe increases in rates of taxation in addition to equally severe increases which have been brought about by inflation. I say these things in order to provide a little background to the budget which the minister has presented.

While he was preparing that budget the Minister of Finance knew perfectly well that the ordinary Canadian taxpayer has been getting a double whammy for the last two or three years. He has been subjected to explicit and overt increases in taxation and he has also been subjected to increases in the rates of taxation, as a consequence of inflation. The minister also knows perfectly well that the value of any exemptions has been substantially eroded. The real value of the \$1,000 and \$2,000 exemptions, for example, has been very, very substantially eroded as a result of the policies of this government.

• (3:10 p.m.)

With this background of experience and with the outlook that the minister was projecting, one that included a further increase in prices, a further increase in the cost of living and further increases in real taxation, I say that a very reasonable thing for the minister to do would have been to give some tax relief to those on low incomes.

I had suggested that the minister should provide in his budget for tax rebates to those who are below the poverty line as defined by the Economic Council of Canada. I am advised that to provide relief simply to them, that to take those taxpayers off the tax rolls, would cost some \$85 million a year. I am not talking at the moment about changing exemptions or about what would be involved in changing exemptions; I am simply talking about providing a tax rebate or a tax credit for those who are below the poverty line. I am suggesting that the minister should have proposed this as an interim measure pending the adoption of some more far-reaching tax reform.

If the minister were not prepared to go that far, then he should at least have been prepared to go some of the distance. He should have been prepared to do something that would give some relief to the taxpayers at the lower end of the scale. But far from doing

[Mr. Benson.]

this, the budget that the minister has presented, in the context that he has projected—the context of higher prices—really envisages not relief for the low income earners or receivers but higher rates of taxation than those that existed in the past.

Then, there is the situation of the aged, which is well known. The adjustments provided are limited to approximately 2 per cent per annum of the basic pension of \$75 a month. We all know that the cost of living has risen substantially more than this 2 per cent of \$75 in each of the last several years, and there is no need to elaborate on this point. Here again, the budget of the Minister of Finance increases the burden placed on many of these people. But above all, the government has absolutely refused to make any change that would permit the GIS to be adjusted, at least in accordance with the cost of living rate.

A few weeks ago, in response to a question, the minister of health stated he had told the provinces that if they were prepared to supplement the old age security payments of the government of Canada, then the government of Canada would bear 50 per cent of this cost under the Canada Assistance Act. Any member of this government ought to know what chance there would be of this being done in the less well-to-do provinces, particularly in those provinces that are struggling to join the federal government's medicare program. This is a very unfair proposal, a proposal that I would say could hardly be put forward seriously, and one which was obviously beyond the reach of a good many provinces to accept. So much for the just society.

I suppose the minister justifies all this as being necessary in the fight against inflation. I suppose the minister will say that there is no group in society that has more to gain as a result of the government's bringing inflation under control; that there is no group in society that has more to gain by seeing inflation is limited; that there is no group hurt more by inflation. It is true that there is probably no group in society that is being hurt more by inflation. There is probably no group in society less able to protect itself against the rigours of inflation.

I would ask the Minister of Finance and the Acting Prime Minister (Mr. Sharp), why it is necessary in this country of ours, of which we are so proud, to ask these older people to bear such a disproportionate burden, such a disproportionate share of the real, actual cost of fighting inflation in this country. I say there is