

Income Tax

The other manner in which this legislation acts as a disincentive to investment on the part of the small investor is by its very existence. No matter how watered down the final Act may be, it will forever be difficult for the small investor or would-be purchaser of a life insurance policy to forget its original intent. For a brief minute, the Government lowered its friendly mask, its "good guy" false-face, and let us see its real fangs.

Whatever it may say, whatever it may in the short term do, the fact remains that it has shown us that its real intent is to discourage small investment and individual independence. It has shown us where its heart is, that it is philosophically more comfortable when its subjects receive a more or less standard income, with greater dependence on it and less on their own initiatives. This is not a new idea on the world political stage, it has been with us for a long time. It has a name, but that name is not Liberalism.

The Government's attempts this direction go back to 1978, with the repeal of the investment income tax on life insurance. Hand in hand with this went an attempt at taking the savings accumulation in a life insurance policy at death. That attempt proved abortive at the time. Now we are confronted with this present mish-mash, and while we have so far succeeded in watering down the proposals as originally presented in November of 1981, the line of Government thinking still stands exposed.

If I were a would-be policy holder, if I were a would-be investor, I would hesitate. My hand would be stayed by the nagging worry in the back of my mind, "When will the Government drop the other shoe?" I remember speaking on this same legislation, and the former Minister of Finance, the present Minister of Energy, Mines and Resources (Mr. Chrétien), had the good sense to back off; but his successor certainly did not.

How about the insurance agent or, for that matter, any other salesman who is the victim of the Government's ill-conceived schemes to gouge money from them in other ways? A salesman or anyone else who is dependent on a car for making a livelihood is as dependent as is the Minister on his staff, and for the same reason. He knows where he wants to go, but it is the car that carries him. The Government has declared that, by its new "half year convention", the depreciation on that car will be limited to one half the normal rate in the year in which it is purchased. What will be the inevitable effect of this measure? It will discourage his purchase of that car. That is what it will do at this time when the automotive sector of the Canadian economy needs every bit of support it can get.

Can you forgive us, Mr. Speaker, if we, the public, get the impression that the Party in power has no idea of what it is doing or even what it is trying to do? However, this is not the only instance in this Bill where the blatant, anti-small investor mindset stands out. No longer will Canadians be able to deduct the interest on loans taken out by RRSPs. Nearly one million people earning less than \$30,000 a year declare RRSP

contributions. What, then would the proposed Bill achieve? It would seal off another avenue of investment and, thus, independence for the small investor.

I could go on if time permitted. This measure will deny registration for future deferred profit-sharing plans which allow an owner to qualify as a member of the plan. How petty can one get? Shades of Bolshevism! Perish the thought, Mr. Speaker! Should we benefit from anything? Never mind the fact that it is the small owner who provides the bulk of Canada's payrolls, and never mind the fact that the direct effect of the Bill will be to discourage such profit-sharing plans in small business.

What, then, is the inevitable result? It will mean many more Canadians reaching retirement age without resources of their own on which to fall back, and who will thus be dependent on the standardized largesse of their loving, caring Government.

I see, that Your Honour is starting to rise, and I will therefore take my seat.

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, first I would like to reiterate what some of my colleagues have said with regard to the legislation before the House, that is, that there is a real need to pass the legislation, and this—

Mr. McDermid: Come on, it is a 300-page Bill. Quit ramming things through.

Mr. Masters: —as expeditiously as possible. That does not necessarily mean ramming it through, but it has been pointed out that many of these items contained in the package have been debated in one form or another, including in this House and in committee, for some time, and if we are to—

Mr. McDermid: Dictators over there.

Mr. Masters: —resolve some of the uncertainty out there, I think we must get down to the business of passing the legislation in order to get on with the business of Canada.

Mr. Cosgrove: That is what the business community wants.

Mr. Masters: There have been a great deal of changes made in the legislation over time.

Mr. McDermid: Called theft.

Mr. Masters: Most of the changes are contained in this Bill, Bill C-139. One of the good things which has come out of these changes has been something which was beginning to be lacking in this country, that is, the opportunity for honest dialogue between the Government and business in the community at large. Whatever lack there may have been in that area, it is heartening to me, as an individual Member, to see this dialogue improving. An ideal situation would be where we could sit down at the same table, discuss our mutual problems, recognize our various points of view, and then attempt to come to a consensus which is fair, not only to the industries with which we are dealing, but to all people of Canada as well.