

Income Tax Act

I do not think this will improve the situation. From the electoral point of view, such a practice may be successful and it may be profitable to spread about that the poor and the millionaires are treated alike. But one must also say that as far as income tax is concerned, millionaires are certainly more taxed, proportionately speaking, than in most countries of North America and of the whole world—I am referring here to Canadian millionaires—and that they are affected in other fields if they are not in that one.

Besides, the millionaire will probably be the last one to use the free health service and in most cases will want to pay for special services, for he can afford to go to hospitals where he will be provided with nursing care night and day and he will probably have nothing to do with that method which puts everybody on an equal footing.

Such an accusation is stamped with demagoguery in these times. I believe this is no time for people having a sense of responsibility to allow situations like that to continue in Canada. On the contrary, we should now remind ourselves of the words that echoed throughout the whole world, the words of the late John Kennedy: In the time we live in, ask not what your country can do for you, but rather ask what you can do for your country, in the difficult circumstances the world is going through now.

It is true that all Canadians have to tighten their belts but it is thanks to that that the Canadian economy is so healthy as compared with that of other countries. It is because the government has had the courage to enforce austerity measures readily accepted by the great majority of Canadians who understood that this austerity spell required all of them to do their part of the job, a sacrifice they have indeed accepted as the outcome of the last elections has shown. It was the same party which went to the people after it had warned Canadians it would increase taxes and curtail profits in some sectors. I believe it is healthier for the future of a nation to warn its people that they will have to accept occasional sacrifices to prevent the economy from crumbling. We should try to avoid this complacent philosophy and refrain from telling the poor: "You are exploited, you get the same deal the rich do." All in all, this brings me back to the slogan I was quoting earlier: "Soak the rich, don't help the poor." Finally, we shall come to the point where there will no longer be any rich people but just poor people. At the limit, the government will have to take care of everybody.

[Mr. Mongrain.]

I know the measure is not popular but I think that under the circumstances it is justified. It should win the support of all hon. members instead of being the target of unconsidered attacks, as it was, from such a serious man as the hon. member for Winnipeg North Centre.

[English]

Mr. Ritchie: Mr. Chairman, I rise to support the position of the hon. member for Winnipeg North Centre. In my opinion this 2 per cent tax on income is not a good tax. Ostensibly it was levied to finance social development. It was introduced as a result of the introduction of medicare and is in effect passed on to the provinces in the form of contributions to this program.

In a sense this tax is what one might call a premium type tax in that there is an upper limit. It is debatable whether social welfare programs should be financed by this type of program. In any case this is a premium tax; therefore it should be specifically earmarked to finance social programs. This money is apparently going directly into the consolidated revenue fund.

We might find it easier to support this tax had the minister and his department, in introducing the medicare program, attempted to introduce more economies, and had they been more co-operative with the provinces by introducing programs which acted as brakes on expenditures. We might have supported these programs had they confined expenditures to limits or amounts that could be carried through shared cost programs.

This tax as introduced in this form seems to prevent the provinces from participating in such a program. Perhaps it would be the intention to absorb this tax in a more equitable way in the tax structure in the future.

Mr. Rynard: Mr. Chairman, I should like to say a few words about this measure. It is of interest that the hon. member for Winnipeg North Centre and I have arrived at the same conclusion, although by divergent roads.

Mr. Knowles (Winnipeg North Centre): You took the right road and I took the left road.

Mr. Rynard: In any event we arrived at the same conclusion on this occasion. My feeling is that when putting on this tax we should have made it sufficient to cover the cost of medicare throughout the provinces.

The second fact which stands out is that we should have first of all brought in a measure