

Income Tax Act

agencies of various kinds and receive their tax credit prior to receiving it from the income tax department. They have to pay from 10 per cent to 15 per cent of the tax credit to the tax agency.

I suggest we establish a system which sees to it that that tax credit is paid in monthly sums to families affected so that people receive the money not in a lump sum but automatically, in the same way as family allowances or old age pensions are received. It seems to me this would make it easier for families who need the child tax credit; they would then receive it in a more effective way and it would make more of a contribution toward alleviating poverty.

We as a Party have been arguing on tax issues for many years. We have had reference to the Carter Commission by a number of speakers. We feel, and it is one of the reasons we are prolonging this debate today, that it is very important to have a full-scale, comprehensive and effective review of our tax system. Our leader, the Hon. Member for Oshawa (Mr. Broadbent), suggested in the election campaign that we should set up a royal commission on taxation. This could take in the whole set of issues we have been talking about today. A royal commission could bring some of the best minds in our country to look at our tax system and see if we could not make it a much fairer instrument for economic growth and equity. Many people in this House have been speaking about this since the start of our parliamentary session.

We have today what is, in effect, a housekeeping measure from the past regime. We hope in the future that we will see serious efforts at tax reform in the areas I have been talking about. We hope the Government will be prepared to take up our suggestion of a royal commission on taxation to try to establish a sense of fairness, a sense of efficiency and a sense of contributing to economic growth which all Canadians hope to see in the tax system.

Mr. Deputy Speaker: Are there any questions or comments? If not, we will resume debate.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, it was not my intention originally to debate this Bill but I think I must make some comments on suggestions made earlier today by the Hon. Member for Western Arctic (Mr. Nickerson). He proposed that there be no tax on capital gains. I thought that was a rather interesting proposition when one considers it in the context of the over-all philosophy of income tax in general. It seems to be inherent in the whole structure that if one owns land and makes money on it, if one makes an investment and makes money on it, or if one has dividend earnings, this is in some way superior in the kind of treatment it deserves compared to income earned by dint of hard work.

I do not think I have ever heard it suggested that there be a depreciation allowance for the physical damage that results from a lifetime of hard work. It seems to me, from the point of view of the Canadian worker, that there should be some focusing on this aspect of our taxation system. Why do we have a taxation system that is so determinately punitive to the poor and to those who must make their earnings by physical

labour? What is the philosophical premise on the basis of which those who invest in fine art or property may keep much more of what they earn compared to those who work in the mines, in the factories, in the restaurants and so on?

My colleague the Hon. Member for Essex-Windsor (Mr. Langdon) has referred to the situation in Windsor where waitresses have been harassed because it is assumed that some trivial amounts of money are not being reported for income tax purposes, irrespective of the fact that upon request to do so they have supplied all the information on the basis of which they can be properly taxed.

I note this strange dichotomy also permits Revenue Canada to harass those who plead their cases to those who would want to be their elected representatives. There is clear evidence that those who have reported their circumstances, recorded this pattern of harassment, have been harassed yet more. I hope in the future, the not too distant future, that this Government will begin to right the disproportionate imposition on the poor of the taxation burden.

● (1520)

There have been repeated references to the Conservative progressivity of the tax system and to the need for a minimum income tax. There have been references to the lightening of the burden of large corporations and to the special treatment accorded to doctors, lawyers, dentists and so on. I do not think we need a further recital of those facts to make it clear beyond any reasonable doubt that there is a need for considerable reform, reform which will be fair not only with respect to particular types of tax incentives, deductions and so on, but in addressing the fundamental issue to which I referred earlier, that is the fundamental difference in treatment or the way in which we regard those who make their money by physical labour compared with those who make money simply because they have money.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-7, an Act to amend the Income Tax Act and related statutes, be read the second time and referred to the Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the second time.

Mr. Deputy Speaker: Accordingly, the said Bill stands referred to Committee of the Whole.