

Income Tax Act

rest assured that at least if we keep this government in power, everyone will have an equal share of nothing.

Will Rogers once said that the crime of taxation is not in the taking of it but rather in the way it is spent. If I were to recount in the House the horror stories to which we are being treated every year when the Auditor General publishes his report on how our tax dollars are being spent, it would be much more interesting, but instead this afternoon I want to talk a little about the manner in which our taxes are being collected in the first place.

Despite the government's assiduous attempts to redistribute our wealth, the poor in our country have become noticeably poorer and the rich have become noticeably richer in the ten years of the just society, which is entering its final phase now. Statistics tell us that the people who live in the lowest 20 per cent of the economic scale share only 4.4 per cent of the money earned in our country, and that the real income of that group has decreased by 7 per cent over the last ten years. So much for the just society. The rich have been getting richer and the poor have been getting poorer. There is a sort of inner circle, and the just society has been just for Liberals.

As you know, Mr. Speaker, the tax system operates on a graduating scale, which means that those who earn more pay a higher rate, and one's ability to pay is the guiding principle of the tax collector when he assesses our contribution. The Fraser Institute published an interesting set of statistics recently which take into account the fact that income tax is not the only form of taxation, that there are all kinds of other taxes to which individuals in our society are subjected. There is the profit tax, the income tax, and the sales tax. The sales tax includes tax on liquor, amusement, tobacco. There are excise taxes, the fuel tax, social security taxes, the pension contributions, all of which are taxes in disguise. There are property taxes, natural resources taxes, import duties, and all kinds of other taxes.

I would recommend that hon. members make themselves familiar with this set of statistics, which show that there is an obsession with taking from the rich and giving to the poor, the Robin Hood principle. A fellow asked me the other day if I could tell him of one person who has ever been helped by Robin Hood. It challenges your imagination to figure that out. These statistics are related to the 1978 tax year. A person earning \$15,000 a year and paying all these additional taxes to which I have made reference, would have a net after tax income of \$9,472 a year. A person earning \$25,000, or \$10,000 more, would have a net after tax income, or a disposable income, of \$12,031 a year. But if you earn \$40,000 a year, or \$25,000 more than a person on the lowest rungs of the income scale, all you would have left after paying taxes along the way is \$11,191. In other words, compared to people in the \$15,000 income bracket, people in the \$40,000 bracket would only have \$2,000 more after all the other taxes, licences, fees, and so on have been paid.

It can be argued reasonably that a person earning \$40,000 a year would purchase more consumer goods and so would pay a higher sales tax. It can be argued also that he has a larger

home so his property taxes are higher, and really he should not complain. He does not complain, but the fact remains that of the \$25,000 additional income, people in the higher income brackets pay \$23,000 to some form of government, be it municipal, provincial, regional or federal. These are very important statistics.

One could reasonably argue that there is a large gap between the rich and the poor in this country which has nothing to do with taxation, but instead has to do with our credit economy, credit society. The fact is that people in the higher income brackets own their home, their car, their fridge and their television set, but people in the lower-income brackets buy these commodities on credit. There is an unwritten law that everybody must have certain basic things. The government seems to encourage people to have them and to believe they are entitled to certain basic things, whether it is their home, their car—and in this country it is pretty well an essential commodity—a fridge, and a television set to plug you into the mainstream of cultural life and activity. The fact is that people in the lower-income brackets purchase these things on credit and, in so doing, as you know, pay not once or twice but three times the price of their television sets, their cars or their refrigerators. That is really why the gap between the rich and the poor occurs. In other words, people who can least afford to do so, pay three times the price of their purchases to the banks and the financial institutions, to the social planners and social engineers who sit on the other side of the House and who take their pound of flesh in the form of taxes and fees. Those people who buy on credit get no relief from income tax, sales tax, or from any of the other taxes I mentioned.

I should like to speak now about equity and fairness and about the foundation on which our tax system is predicated, namely, that you should be assessed taxes in accordance with your ability to pay. As you know, one's ability to pay in this country varies dramatically according to where one lives. Incomes are higher in Vancouver, for example, than they are in St. John's, Newfoundland. Even in that part of our country which is known as the cultural and economic corridor, which runs along the U.S. border, there are large discrepancies.

But more specifically I should like to talk a little this afternoon about the incredible cost of living gap—cost of living being the factor which affects your ability to pay more than anything else—which exists between the area which I have identified as the economic corridor running along the border, and the remote, isolated frontier areas in our country, particularly the area north of the 60th parallel where less than 1 per cent of our population lives, an area which embraces more than two thirds of our total geography, and, to a lesser extent, of course, the area which is sometimes referred to as the mid-Canada corridor, embracing the remote and isolated areas in our provinces.

● (1520)

I have tabled a report before the Standing Committee on Indian Affairs and Northern Development. It is the subject of an ongoing study by three departments, the Department of