

Income Tax Act and Related Acts

Mr. Benjamin: Then he got an earful. I expect him to make a speech in support of this amendment and we will all be happier with at least one Tory Member in this place.

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I am pleased to participate in this debate tonight. It was one year ago yesterday that I was elected to this House. I spent a lot of time before that on the doorsteps of the people in Hamilton Mountain. That was just at the time that the White Paper had come out and people were talking about it. The first day that the White Paper hit the news media and people heard about it they rejoiced because they read all the jingo about the progressive tax system and how good things were going to be. It did not take more than 48 hours before they started to read between the lines and the people of Hamilton Mountain were not very happy with the so-called tax reform.

Hamilton Mountain is not a community with a lot of great riches, although we do not have a lot of deep poverty. We work hard and many people have been able to purchase their homes. The people there are not greedy. If they can live with a decent standard of living after having worked hard, they think that is fair and just.

The people have recognized that tax exemptions are not a progressive approach. They started to examine what was happening with tax exemptions. A tax exemption which is very useful to ordinary working people and to retired working people is the \$1,000 interest exemption. That was wiped out. The immediate response to that was that they may have been getting an unfair advantage, so perhaps it is fair.

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They began reading between the lines to see that there were huge tax shelters and tax expenditures that would not be phased out until after 1992. People with a lot of disposable income were still able to shelter that income while people in my community cannot do so. It has really hurt them.

When we compare what is happening to people with different levels of income, we see that those earning \$15,000 or less will have a savings of \$90 in 1988, according to the Government's figures and its White Paper. While that is not a lot, someone earning \$15,000 a year would be grateful for it.

However, when they learn that someone earning over \$100,000 a year gets a saving of \$1,615, families and retired people in Hamilton Mountain say that is unfair. They do not mind giving up the shelter if it helps other people, but not when this so-called tax reform only helps the rich.

In percentage terms, it is .8 per cent of savings for the poor and 1 per cent of savings for people earning over \$100,000 a year. That is certainly not fair. Those figures do not take into account the various taxes that are involved, so even those numbers are false as far as the Government's information to the people is concerned. The Government does not have the courage to discuss the real situation.

Canadians have talked about tax reform since 1968. Yet we are digging ourselves deeper into a chaotic and messy tax

system. The way an efficient and accountable government would approach tax reform is to make it a system that people understand. The Government has done the opposite. It has increased taxes consistently since it was elected, only to introduce the rebate this year. It held on to that rebate until July so that it would look larger than it actually is. It is manipulating people who are working hard to make ends meet within their personal budgets.

The Government is not being honest about its own expenditures. It is hiding taxes within the sales tax at the federal level. One cannot see that tax when paying for an item at the cash register. People of Hamilton Mountain are most annoyed that the Government continues to think it can manipulate them. They are insulted and outraged. They resent this so-called tax reform.

My constituents began looking at the implications of this tax reform on their own lives. They are even more insulted by the fact that tax shelters have been extended so that those who can well afford to pay more taxes not only have a reduced tax rate, their tax shelters are allowed to continue. There has been a constant history of lobbies to continue the tax shelters that are extremely beneficial to the rich. They do not do anything for the economy, and studies have shown that tax shelters do not work as a social tool, especially when there is no accountability to the House of Commons.

The Auditor General has been asking for action for years. The Government has refused to take action. The former Government refused to take action. There is no way of measuring the implication of tax shelters.

It is outrageous that the Government even dares to call this tax reform. It is time the Conservative Government told Canadians that it is really trying to skewer the tax system more than ever to make sure the rich get even bigger breaks than they have had while ordinary working Canadian families have to carry the burden for people to buy their nuclear submarines. It is a disgrace. The sooner we get rid of the Conservative Government the better.

Mr. Simon de Jong (Regina East): Mr. Speaker, the Government's proposal is not tax reform, it is a sham.

This Bill has been dressed up in the rhetoric of genuine reform. When he introduced this package, the Minister of Finance (Mr. Wilson) stated: "We all know the tax system allows many profitable corporations to avoid paying their fair share of tax year after year. We all know that it allows some people with very high incomes to pay less tax than the average Canadian wage earner year after year".

After hearing this rhetoric, one would assume that the Minister would follow through with measures to prevent the wealthy individuals from paying less tax than low income people year after year. One would have thought that he would introduce measures to prevent large and profitable corporations from not paying any tax year after year.