

those who have more money than to those who have less money.

Exemptions will not help the poorer people. There will be a tendency to change the exemptions every four years, if it coincides with an election. The exemptions will be politically inspired rather than exemptions made in an effort to look at the needs of poor people in the community.

I associate myself with the consumers' organization when they say not to exempt food. What is food? Food comes in many different forms and can be obtained in many different places. How does one make a distinction in order to apply an exemption? The regulations and definitions would have to be constantly changed.

I urge the Government to correct the discrepancies by providing a larger tax credit for the poorest people in the community. It is easy to identify them, to know how much income they are getting and how much they are spending. It would be much easier to determine the size of credit they should receive. Exemptions would only make the process much more difficult.

The Minister stated that he would pay this out quarterly in advance. There are many Canadians living on welfare or at the welfare level. It will be very difficult for them to make this extra amount of money last for three months when they must meet basic daily expenses. Let us ensure that the poorest in our country get those cheques monthly rather than quarterly. It is not fair to ask them, with their very limited means, to budget the small amounts of money they have over a three-month period.

Finally, I want to talk about personal tax. I agree that it is fair to impose a surtax. However, it is not fair to have abandoned the different categories and let the people with high levels of income pay the same tax as those at the medium level. We need a progressive income tax. Why should people who make capital gains get away with paying less tax than those who work with their hands? The Government should do away with the capital gains tax exemption and its special deals for investment.

According to *The Financial Post* there are 48 people who made \$500,000 or more a year. If they were paying tax at the maximum rate, it would be about 50 per cent.

The Budget—Mr. Stupich

The top earner made about \$4.6 million in cash compensation. I doubt that that person is paying 50 per cent tax.

I would like to know how much they are paying. I very much doubt any of them are paying at the maximum rate. I have more to say, but will do so on another occasion.

Mr. Thacker: Mr. Speaker, the Hon. Member spoke about deferred corporate taxes. Does he and his Party believe that this should be abolished? While some large corporations get the media coverage, the fact is that the same provision applies to tens of thousands of small businesses, including farmers and corner store operators. Would he draw a distinction between those?

Is it his view and the view of his Party that the 12 per cent manufacturer's sales tax should continue rather than a sales tax? I believe he said the capital gains tax exemption should be abolished. Does he include those 300,000 farmers who qualify?

I totally agree with the Hon. Member with respect to the sales tax exemption. It is hard to believe that he is a Member of the New Democratic Party. He sounds more like a New Zealand labour socialist. They have no exemptions at all which, in principle, would be the wisest policy. Food should be included, with a generous refundable sales tax.

Will he distinguish his view as compared with the NDP official view? His position seems far more sensible than has his Party's position for quite a few years.

• (1210)

Mr. Stupich: Mr. Speaker, I believe I made it very clear that I do not agree with the goods and services tax. I think it will be a very regressive tax. I do not trust the Government to properly look after the poor people in our community. I do not agree with it.

However, if the Government is going to do it, and I am sure that it will unless the heat builds up in the country—

Mr. Dick: You already approved it in the last Parliament.

Mr. Stupich: I was not here in the last Parliament.

However, if we are going to go that route then what I said is true. I think there should be no exemptions. However, it is still a very regressive tax. There is no question about that. The sales tax is equally regressive. I did not say anything about that tax other than that I was