

Income Tax Act

People will finally realize that words alone are powerless and that nothing much is changed by adding "development" to "social". In order to really change a situation, we should come to grips with the causes of the economic unbalance and not just toss words around. Instead of calling it a social development tax, it would simply become Social credit.

[English]

Mrs. MacInnis: Mr. Chairman, this party began a fight against this clause many months ago, and the fight that we put up contributed in part to the defeat of the former government. The people of this country are in no mood to put up with this type of taxation. They may be overcome by lethargy for a while, but a great many of them hope that the government means what it says when it talks about a just society. However, they will only retain their hope for so long.

My colleague from Comox-Alberni has spoken of our strong objection to this measure in the ground that it imposes a ceiling of \$120 on the tax no matter what the income of the taxpayer is. This flouts the entire principle of taxation according to ability to pay, and we are very much opposed to this tax on this ground.

● (5:20 p.m.)

The other ground which has been dealt with relates to the term "social development tax." My colleague from Winnipeg North Centre discussed the ramifications of that title, and I want to say a few words about it also. When certain people heard the term "social development tax" they were taken in, believing that the tax would be used for social development purposes. The Canada Welfare Council recommended, for instance, in its report of last January and in earlier reports also, that family allowances be raised. Recipients of the old age security pension have been complaining bitterly that the new so-called income supplement has added to their difficulties because they have had to pay tax on their increased income. That tax has added to their difficulties which have been brought on in large measure by rising living costs. I also wish to raise the question of veterans allowances. Many think that the money the government is raising with its social development tax ought to go toward increased allowances for veterans and their families.

May I also raise the question of how we are to protect our homes. When I put forward the idea in the house that we can protect homes

[Mr. Matte.]

by paying wages to mothers who otherwise would have to go out to work and enable those mothers to remain at home, hon. members displayed great amusement and scorn. Nevertheless, quite a few people are looking at this proposal because they realize that it is very sound indeed. They know that if we were to pay wages to mothers and enable them to stay home instead of forcing them to go out to work and leave their children unprotected, we would be making a good social investment. Many people believed that the social development tax would be used for programs of this type.

I say that we ought to look at family allowances. We should try to raise the old age security pension, increase veterans allowances and pay wages to mothers in the home. In the previous government hon. members and even ministers were making encouraging noises and promises. They said they would support the idea of having all Canadians enjoy a minimum guaranteed annual income. Yet what has happened, Mr. Speaker? Our people now realize that the social development tax is not a social development tax. It merely imposes a greater tax burden on those in low income groups least able to bear it. It is not a social development tax. It is a social deception tax. People recognize it as such.

After the Minister of Finance said that he hoped to have a surplus of a quarter of a billion dollars in the coming fiscal year, I could hardly believe my ears when I heard that this so-called social development tax is to remain in force. In my opinion it is a completely unjust tax. Surely the government could have raised exemption levels if it wanted to find ways of lifting the burden of taxation from some of our people. Many of our people, including those receiving veterans allowances, old age security pensions and family allowances, do not earn enough to be taxed. Clearly increased income tax exemptions would not help them. It is in this field that taxation must be made fairer. Measures other than income tax exemptions could be used to help those in the very low income group.

[Translation]

The hon. member for Trois-Rivières (Mr. Mongrain) said that the opposition members consider the government as some kind of Santa Claus handing presents to all and sundry, but I wish to point out to him that Santa Claus does not start by stealing pennies from children's piggy-banks—

Some hon. Members: Hear, hear.