

Income Tax Act

Mr. Harding: Mr. Chairman, I intend to speak very briefly on the amendment before the House. The remarks of the Liberal member for Don Valley disappointed me. According to him, any time the government brings forth a tax measure we always try to increase the benefits. In this particular case we are talking of those in the extremely low income tax brackets. I want to inform the hon. member that apparently he has not done his homework on this particular phase of the legislation.

To prove my point, all I have to do is refer to the cost of living index. The present personal tax exemptions were set in the year 1949, and at that date the cost of living index stood at 77.4 per cent. Today, it stands at 134.7 per cent. What we are attempting to do is to raise the exemptions for a single person from \$1,000 to \$1,650. This represents a 65 per cent increase. Over the period I have referred to, the increase in the cost of living has been over 74 per cent, so even with our figure we are not catching up with the increase in the index since 1949, the year on which the exemptions were based.

This is why the hon. member for Winnipeg North Centre moved his amendment which seeks to cut the tax rate on the first \$500 of income from 17 per cent to 2 per cent. What is wrong with that? This will give the working people of this country, the pensioners and those on fixed incomes who are in desperate straits, the opportunity to pay less income tax. This country in the year 1971 is much wealthier than it was in 1949 when the present rates were set. It is sheer idiocy and nonsense for Liberal members across the aisle to laugh and to vote this amendment down. If the government is not prepared even to bring the rate up to a level that reflects purchasing power today, then it is not doing the job it was elected to do.

This is a good, sound amendment, one for which we have been fighting. Organizations across the country, old age pensioner groups and so on, have been asking in hundreds and thousands of letters and telegrams they have sent to Members of Parliament that legislation of the kind that is reflected in our amendment be supported. I suggest hon. members opposite do so, if not for themselves at least for those they represent.

● (4:50 p.m.)

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I consider it as my duty to support the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles). As this amendment aims at an immediate reduction of personal income tax, I think we must support this amendment if we consider the facts which have already been analysed in the course of the preceding debates on clauses 109 and 110.

Small enterprises must absolutely benefit from a tax reduction in order to be in a position to protect as much as possible their sources of income and to invest more in order to better serve their environment. The survival of those small enterprises which contributed so much to the development of this country must be assured.

I also consider that this tax reduction must be applied immediately to the workers who contributed in a fantastic way to the development of this country, namely to the increase of the gross national product to which I drew the

attention of the Chair last week when sections 109 and 110 were under consideration.

I also think that the small shopkeepers in our cities and villages are doing a lot for the people. For them to survive, they should also benefit from tax exemptions because if we continue along the same lines, overtaxation will eliminate some of them year after year. And when our small shopkeepers, grocers, butchers, and so on stop operating the corner stores and extending the weekly credit needed by our families, particularly the larger ones, low-income families will be deprived then of that service.

Mr. Chairman, farmers also are overtaxed. Production costs are increasing from day to day, and it is enough to look ever so little at the situation to realize that it is worsening from day to day.

Mr. Chairman, if I had more time I would read a letter I received today from an industrial milk producer in my riding who complains because he had to convert his business. He was forced to choose either one of the two types of production, whole milk and industrial milk, in which he was engaged. He opted for industrial milk production, which is liable to reduce considerably his income. If we do not immediately grant this category of producers a tax exemption, we once again run the risk of seeing a greater number of people leave their farms to become welfare recipients and costly dependents of the community. And then, the governments through their finance ministers will ask those who are still working and are lucky enough to operate a business to carry a heavier tax burden in order to maintain the unemployed.

In such circumstances, the whole House should get together to adopt the amendment calling for immediate reduction of personal income tax.

Mr. Chairman, sometimes, and this is most unfortunate, some hon. members, seeing opposition members rise to take part in an important debate such as the one on Bill C-259, believe they are filibustering, or just trying to delay the proceedings of the House and the passage of such an important piece of legislation.

I should like to take the opportunity to show that our parliamentary system is useful and necessary and that all hon. members, whatever party they belong to, have an important role to play as spokesmen of the people of Canada.

It is therefore upsetting, Mr. Chairman to see them right and left, playing at representing opposition members as useless or as members who are only seeking to delay the business of the House.

If the government is not satisfied with our parliamentary system, all it has to do is introduce amending measures and if it wants to remove the opposition, it should say so frankly. As a matter of fact, it is not for our own pleasure that we rise and claim more equitable legislation for all social classes.

We are not favouring a social class in particular, but we want an equitable and rational personal and corporate income tax, and the government should not go beyond a reasonable rate.

Considering the representations that are made to us, we find the government is going beyond a reasonable rate, it does not pay any attention to the taxpayers' ability to pay, thus jeopardizing the security and the freedom of