

Income Tax

● (1230)

What concerns us is that the Bill before us now will raise the taxes for a family of four making \$20,000 by \$125.00 a month. I will check my figures, and someone else will if I do not, but if they are correct, that will probably amount to an increase of 27 per cent if one includes provincial taxes, and I mentioned this yesterday. The taxes of a person such as an MP, who is at the \$50,000 a year income level, will rise only 13 per cent. If one wants to stretch it even further, persons earning \$500,000 a year will actually have a drop in their tax rate of 17 per cent. The Government will counter by saying: "There are not very many of those people, and if you do soak them", as the Hon. Member for Ottawa Centre (Mr. Evans) said the other day, "you will destroy their incentive". I just wonder how much a progressive income tax would destroy the incentives of the Ian Sinclairs and Samuel Bronfmans, whose incomes are at least between \$1 million and \$2 million a year.

Although I do not want to debate the whole matter over again, the Hon. Member for Ottawa Centre said that he disagrees that the Government should take more than 50 per cent of anyone's revenues. I do not think that happens because, as mentioned by my friend, the Hon. Member for Spadina (Mr. Heap), the effective tax rate for business, no matter what the real rate is, is really only 37 per cent. That figure is not true for all businesses. It is even less for some businesses in some years, notably for the banks. So we do not buy that one.

Again in reply to the Hon. Member for Ottawa Centre, he disputed my figures on the basis that I was discussing the total tax and not just the rate. If that is the case, where the rate falls but the total tax bite goes up must be a perfect example of the old shell game. We know that there is a massive attack on the incomes of Canadians. Our standard of living is being savagely attacked, so the Government lowers the tax rate. I will tell you what the Government increases. It increases the cost of energy by, say, 30 per cent. It increases interest rate costs. It freezes wages. It raises health insurance premiums, cuts Family Allowances, cuts old age pensions and retirement benefits and then has the audacity to say; "Oh, but the rate went down. You have all those extra costs, but the rate went down, so how can you fault us on that one?"

I do think it takes a great deal of intelligence to find that out or perhaps I might not have discovered it, but nevertheless that is exactly what is happening and it is the perfect example of the old shell game. Lower the rate and fool around with the deindexation of pensions, and that is what you have—a massive attack on the standard of living. No matter what one says about the tax rate, it does not hide that issue at all.

This is not only true in Canada; it is true in the United States as well. This is where I have problems with the view of the Hon. Member for Ontario (Mr. Fennell). In the United States, the idea was that if the rate for the wealthy was lowered, that would somehow increase business activity. That was the theory, a kind of supply side economics.

Mr. Cullen: Trickle down.

Mr. Rose: I do not think it has been too successful, but that was the suggestion and it is what was done in the United States. Under the new Reagan budget, the share of tax savings of the \$10,000 earner was only 33 per cent. For the \$20,000 earner, savings were 21 per cent, and for those earning \$100,000 or over, 17 per cent. By far the largest share of total U.S. taxes is paid by those people who have the lowest incomes, 36 per cent.

It is not just me saying this. The Black Caucus of the United States, which represents poor people, is also saying it. If the kind of program which favours the rich and soaks the poor is to contribute to our recovery, why is it that the Americans are now \$200 billion in debt? The fact is that it has not worked.

Mr. Cosgrove: They did not adopt it.

Mr. Rose: No, but the Government has adopted something very similar to it. It is going in that direction. I have discussed this here and given some examples of how it has increased the cost of everything people buy and has then lowered their incomes. That is what the Government has done. It has frozen their incomes. That is precisely what it has done.

The Acting Speaker (Mr. Corbin): Order. The Hon. Member for Lethbridge-Foothills.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I am absolutely amazed that on second reading of a Bill which is some 295 pages in length, which increases taxes on every Canadian who lives in this country, there are no Government Members rising to speak. This is second reading stage. This is where we are discussing the principles of—

Mr. Cullen: Mr. Speaker, I rise on a point of order. Our Members have spoken and I think we owe it to the Opposition to listen. We have spoken to the Bill—

Mr. Taylor: Not today.

Mr. Cullen: —in order to find out if there is anything new and different. We have not heard anything today.

Mr. Epp: All two of you.

Mr. Thacker: Not one Liberal Member has risen today to speak to this massive Bill.

Mr. Cosgrove: You were not here.

Mr. Thacker: I am the sixth Conservative to speak. In a minute, Mr. Speaker, Liberals will hear how their Party has sabotaged every farmer in this country.

Mr. Smith: Rubbish.

Mr. Thacker: If any farmer votes Liberal in the next election, he will be voting to cut his own throat, because this Bill so far as farmers are concerned is all bad. The result will be more taxes, more Government, more forms and a genuine loss of income. The Pepin proposals with respect to transport would be quite satisfactory if it were not for the fact that the