

Income Tax Act

is fair that corporations can arrange such sales conferences in plush surroundings while the average Canadian taxpayer is carrying the load. Every time I go to a restaurant I find that the cost of a meal has increased. While I sit in the restaurant I see people ordering full course meals. Many of them are being subsidized by the taxpayer. We are paying for many of these meals because they are being written off as expenses. The individual paying the tab is likely to be a salesman offering someone a proposition. The average worker is the guy who pays the income tax in this nation. This government suggests we should allow him \$150 as a deduction for which he does not have to provide receipts.

When I worked in the mines I had to buy oilers, boots, gloves and equipment which was absolutely necessary but I was not allowed to deduct that cost as a legitimate expense on my income tax. If a large corporation today had to purchase special equipment there would be no argument about deducting its cost. There is no question in respect of a farmer writing off expenses. But when it comes to the individual worker who receives a T-4 slip, he cannot write off anything except these concessions made by the government.

The average individual will consider the \$150 exemption as a concession of little or no value. That is about half the price of a chain saw, four or five replacement sockets or a good quality speed wrench. That is a big deal! This government should have made a decision to tax on a pro rata basis and not continue this stupid arrangement we have which discriminates against the worker in almost every area.

• (5:50 p.m.)

I cannot think of a case in which a worker has been given a break by the revenue department. I heard of a case the other day involving a young girl 17 years of age, who was with another family and did not think she had to make a declaration to customs. It turned out that she had \$23 worth of goods. The goods were seized and a charge of \$9 was levied against her, the car was also seized and there was a charge of \$10 before it could be returned. That is a hell of a cheap way to get money. The man driving the car, her uncle, did not think he could make the exemption for her because she was a child. They nailed her for \$9 or \$10 in respect of goods worth \$23. If some big businessman were smuggling—and I know of several cases—into Canada articles worth \$5,000, \$6,000 or \$20,000, a deal would be made and he would pay maybe half the charge or one quarter, or perhaps he would promise not to do it again and would be given a break. But the worker, the little person, does not get a break. Surprisingly, it is the little people who have the largest say in an election but they are not capable of or are not willing to make the decision on their own behalf.

This is the kind of tax reform we are getting. It encourages the little fellow to vote against himself. Really no one will get hurt, despite the cries which members of the Conservative party are making at this time. I could relate some of the things which have been said about the amendment in terms of full employment. I believe full employment is a criterion. I think any Minister of Finance who would consider that less than full employment was the optimum would be at least very derelict in his duty. Those

people who are on welfare today, who are receiving unemployment insurance, who are receiving disability pensions and those who are, shall we say, in the category which should at least have established for them a basic annual income which would provide them with a decent standard of living, are not, and should not be, paying income tax.

I am sure there will always be some people in this category. But when we see a situation such as there is in Cornwall where, as was reported the other night by the CBC, there is an average unemployment of 22 per cent, this certainly is not in the interest of the nation. In my opinion any unemployment is not in the interest of a nation. But when you have a segment of the population which is not paying tax, then obviously those who are paying it will have to pay more in order to keep those who are unable to find employment.

We have embarked on a scale of government-oriented unemployment such as this country has never known before. There have been times when the government decided to cut back on unemployment and did so as a matter of policy. However, in Canada I do not believe there has ever been an occasion when government policy decided that a large proportion of the public would be unemployed for the simple reason that there would be less spending power, less money circulating and fewer dollars chasing the goods, so that the government would be able to implement reform and solve inflation. Those who are of that opinion follow the Adam Smith theory. That type of thing is long gone.

It is interesting to note in the pattern of purchases of young people today, as well as many of those who are on assistance of various kinds, that the expenditures they make very often are not in the category which would eliminate inflation. Many of their purchases are in areas which increase inflationary and are causing much of the difficulty. One of these, of course, is housing which produces one of our most inflationary trends. It is inflationary simply because of the necessity for people to have housing and their willingness to pay exorbitant prices for it. This is one field, if we were interested in winter works programs or in other works programs, in which we would be able to expend a very small amount of money—it does not require very much money to get such a program started—reduce the interest rate and provide a guarantee to the lending institutions which have a surplus of money, in order to encourage them to move into the field of housing. If this would increase the supply of housing within the next year or so to the extent that it would meet the continuing growth of the nation and cut into the backlog of poor and inadequate housing such as we have had in this country for the last ten years, it would do a great deal to improve the employment picture of this nation.

It seems to me that anyone looking at tax reform must look at the various measures that are necessary to stabilize the economy of the nation, to relate the economy of the nation to the production and economy of the other nations of the world and to provide for employment in areas where there is a social need.

I would refer to the speech of the hon. member for Duvernay (Mr. Kierans) in which he suggested it must be a foolish government that is thinking about providing money to downgrade the industrial potential of industries