

Income Tax Act

farmer has available for retirement. The minister has not seen fit to say whether the elimination of the capital gains tax on the passing of a farm at death refers to the shares held by a farmer in a family farm that has been incorporated. It may be that he has been reluctant to exempt the disposition of shares in a family corporation because this might upset hon. members to my left. To them the word "corporation", whether it be large or small, is a dirty word, and I appreciate that the minister might be reluctant to upset those hon. members and do harm to their cosy relationship.

I point out to this House that in the past eight or 10 years it has been fairly common, in Saskatchewan at least, for a farmer and his son or sons to incorporate. I will not go into the reasons for incorporation as I am certain the hon. minister, being a lawyer, will understand. Basically, however, incorporation has been carried out by farmers as a means of estate planning. If a farmer is not allowed to dispose of his shares on death without attracting a capital gains tax, I suggest that this particular segment of our farm population will have been discriminated against. The preservation of the family farm is of vital concern to all Canadians. We must do our utmost to ensure its continued existence. I am sure it was an oversight on the part of the Minister of Finance when he failed to adopt our policy in total. It could not have been intentional. Our party will give the minister its wholehearted support if he will now undertake to adopt the balance of our party's policy.

• (1420)

[Translation]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, Bill C-170 on personal income tax will not bring much of a tax relief to the working people.

Increasing the basic exemption by \$150 or \$200 a year is no big deal. For years we have been requesting that all incomes under \$5,000 for married people be income tax free and that a personal exemption be granted amounting to \$500 per child. With a family of six children, the exemption would be \$3,000.

We also ask that all incomes under \$2,500 earned by single people be tax free and this would improve the plight of those who have no way of "playing" with the tax department. In fact, in their case, their taxes are deducted from their salaries whereas for the well-to-do people there are always expenses for administration, recreation, maintenance and communication which can be claimed as exemptions.

Such is not the case for a worker. The men working for Noranda, in my constituency, and those working for Canadair Limited or Canadian Vickers Limited, in Montreal, have their salaries reduced even before getting their cheques. The situation has become unbearable. I remember myself saying about 20 years ago: if we continue in this direction, within a few years the cheque vouchers will be twice as long as the cheque itself. Have we not reached that point now? In effect, the cheque vouchers are at least 18 or 24 inches long and the cheque itself about 6 inches. If we keep on like that for 10 years more the worker will not get any cheque. He will simply receive the voucher which will explain to him how his money has been spent.

[Mr. Neil (Moose Jaw).]

There will no longer be any salary but only a breakdown of expenses imposed by bureaucrats, technocrats and all the government employees.

There is another thing that we requested, and that we are still requesting: How is it that a worker, whether he is employed by Canadian National, Canadian Pacific, Air Canada, Coca-Cola Ltd. in Montreal or Seven-up in Lévis, or by the little spruce beer plant in Chicoutimi, may not deduct from his taxes his own tools that he uses in his work?

All classes of society have the right to deduct tools and even clothing, within limits.

For example, a doctor can deduct from his income tax any new scalpels that he buys. His new office is tax deductible; if he uses his car to go and see patients, he deducts that from his income tax.

And yet the worker in Montreal, Rouyn, Quebec City or Trois-Rivières does not have the right to deduct his car expenses for going to work; he does not even have the right to deduct expenses if he uses public transport.

To work in a mine, for example, you need a whole set of equipment: a special helmet, a gas mask, rubber clothing. The worker cannot make deductions. He has to buy boots, a safety helmet, a lamp; yet he may not deduct from his taxes these expenses that are directly incurred in carrying out his duties.

Mr. Speaker, what is the reason for this discrimination against Canadian workers? It is in effect everywhere.

If I have a business, and I change my furniture, I deduct the cost on my income tax return. If I use my car I deduct travel expenses from my income because I use my car for going to work, for travelling all around my constituency. But a factory worker does not have the right to do this. Why not?

The same thing used to happen when Their Royal Highnesses the Progressive Conservatives were in power, with the largest majority that the government has ever had in the House. The workers were treated in just the same way. Today, we hear them weeping on the workers' shoulders. Now they say the workers are being mistreated! Yet when the Progressive Conservative party was in office, they treated workers exactly in the same way. They are what I call "hypocrites in furs". There is no other way of designating them. They are guys who are ready to do anything when they are in the opposition, but once in office they prove to be inefficient, helpless, numbers, they are of no use.

Mr. Speaker, the Income Tax Act should apply in the same way to the whole society, and basic exemptions should be improved so that ordinary workers, low wage earners, white collars, in short everybody would benefit from them. We must not always relieve the rich and ask the poor to pay more.

Mr. Speaker, this year, for instance, Statistics Canada forecasts that our national product thanks to the work of all workers, farmers, etc., will reach \$102 billion. However, the national annual income of the Canadian people—including Members of Parliament—amounts to \$70 billion.