

*Income Tax Act*

before their food, lodging and clothing—have no time to study all these technicalities and will therefore have to call in an accountant to figure out their taxes.

This again reveals how eager the government was to show its false generosity because certainly nobody can live with \$1,500 a year. I think this no longer exists and if it did it should be definitely changed.

This is why I fail to understand why the Minister of Finance does not immediately propose an amendment similar to that moved yesterday by the hon. member for Bellechasse and to that moved today by the hon. member for Winnipeg North Centre. I wonder why the Minister of Finance does not immediately move an amendment to boost this amount of \$1,500 to \$3,000 and allow a \$5,000 exemption for married couples.

There would be no exaggeration in that, Mr. Chairman, but it would merely be logical and sensible. And we would have then done something for the Canadian taxpayer. Moreover, considering all the means that are resorted to and that are used to get more money, one must say after all that with this mass of taxation reform, the government would surely get more from taxes.

How strange that one should not realize that if more money were left in the taxpayers' pockets, there would be less involvement on the part of the state in the individual's life and government's administration costs would therefore be reduced. That thought never occurs to us. Put an additional \$500 or \$1,000 in every taxpayer's pockets, and the unemployment problem might perhaps not be what it is today. Perhaps we would not have to cope with the problems of small, average or big industries that are fighting against financial difficulties and must therefore lay off employees.

That would be a good solution because everybody could go their own way and that is, I believe, what Canadian taxpayers want above all, namely that kind of freedom which will make them really happy to live in this country. But it rests with the government to grant them that possibility and that is why I deem it my duty to express once more the taxpayers' opinion, in my constituency and throughout Canada: That the exemptions advocated in section 109 are inadequate, that they are far from being satisfactory to the Canadian taxpayer and that in the case of a person earning \$3,000, \$4,000 or \$5,000, a small wage-earner, it would be put a mere difference of some \$30 or \$40 for a whole year of work. That is merely making fun of the taxpayer.

• (4:40 p.m.)

## [English]

**Mr. Skoberg:** Mr. Chairman, I read reports in the press today that the parliamentary secretary, replying to the hon. member for Winnipeg North Centre on the question of tax credits, said that these would not be nearly as simple and straightforward as the advocates of a tax credit system seemed to believe. But, Mr. Chairman, all of us realize that nothing is as simple and straightforward as we would like.

I think we should look back and see what the Carter Commission did say. That commission was dominated by an eminent accountant, a former tax expert in the civil service. You would not expect such a person to recom-

mend a plan that would be impossible to administer. At that time there was a lot of talk about the necessity of hiring armies of tax experts, but it was just talk.

We in the New Democratic Party believe in that portion of the commission's report which advocates a tax based on tax credits, a comprehensive system that should include capital gains and windfalls. But when we talk about tax credits and exemptions the thing that makes me worry is how one person, Colin Brown, can convince the government, through a skilful propaganda process, to change its mind and not even consider tax credits as recommended by the Carter Commission.

I would like to quote one short paragraph for the benefit of the Minister of Finance and his parliamentary secretary, and then give the source. It reads as follows:

The Carter Commission would not limit, much less deny, the rewards of successful individuals and companies. It would insist that they, like everyone else, pay their fair share of taxes on gains in wealth. The outcry against the Carter Report has come from a very small section of the Canadian people—not more than the top-earning 2 to 5 per cent, according to a speaker at a Canadian Tax Foundation Conference. But because of the lack of any comparable outcry for the report from the unorganized millions of lower and middle income taxpayers, there is a clear danger that the report will be shelved. It may become an academic document to which professors refer wistfully when they are talking about an ideal tax system, rather than a practical charter of just taxation for Canadians. The Church should urgently support the Carter Report as a magnificent document which deserves to be implemented in the main.

That is from "The Cutting Edge," the 43rd annual report, 1968, of the Board of Evangelism and Social Service of the United Church of Canada. If we are talking about justice and equity in taxation, then instead of being harassed by people like Colin Brown the government should take into consideration the 95 per cent of people who could be helped by a tax credit system. However, it appears that the government is too concerned about its friends in the upper 5 per cent bracket. It wants to try to please them rather than introduce a proper, equitable tax system to help millions of people across the country.

We have to ask ourselves whether the rights and liberties of the individual are protected under the system. It appears to me that adoption of the amendment offered by the hon. member for Winnipeg North Centre, which the Chair has taken under advisement, would bring about a more equitable tax system. So far as this party is concerned it would not take the place of tax credits, but is second best.

I believe the Minister of Finance must realize that it is the principle of equity that is facing this Parliament. We have to ask ourselves a number of questions about the type of exemptions proposed here. We have to ask what personal circumstances should be recognized in allocating tax burdens among individuals and families. How much should tax burdens differ between those in one circumstance and those in another? There are questions of belief, and we in this House must recommend and put into legislation that which we believe to be fair. We in this House are given the responsibility of making recommendations and enacting legislation that we think will be fair to the majority of the people. The tax burdens of those facing heavy family obligations and responsibilities should be reduced to reflect the non-discretionary expenditures that they are required to make. We know, Mr. Chairman, that