

*Income Tax Act*

concerned. I remind the house that the Minister of Finance by his action in introducing this bill has ignored not only Mr. Carter's statements but a statement by a Liberal finance minister in this house as long ago as 1956. At that time the then Minister of Finance, the Hon. Walter Harris, admitted to me across the floor of the house that there was a discrimination in section 5 of the Income Tax Act against those whose source of income is wages or salaries and said that the government was considering doing something about it. That is 13 years ago and we have had successive Ministers of Finance since then. I presume that the present minister, if I question him across the floor in committee of the whole as I may well do, will blandly admit that the government is still considering doing something about it.

When we are dealing with the principle of this bill we should register our strong disagreement with the bland tactics of the minister and his predecessors in regard to taking action. Kind words, saying that an idea will be considered, are not enough. Any reality that there may be in such suggestions is denied by the very tax measures the government introduces, of which this is the latest and perhaps most glaring example.

I would have thought that the Prime Minister (Mr. Trudeau), who was on the sidelines during discussion of the income tax bill which was defeated on third reading, despite the headiness of his victory at the polls might have taken some note of the views expressed in the house during the debate which led to the defeat of that previous tax measure. I suggest that the defeat of that bill and the blatant introduction of this bill in a new parliament will live to haunt the present Prime Minister.

Sooner or later the ordinary people of Canada are going to wake up to the kind of double-talk the Liberal party has been giving them. This is why I am pointing out that the labelling of this surtax as a social development tax cannot disguise its real nature from the people of Canada. It places an additional burden on the very group in our society that the Carter Commission said were already overburdened.

Canadians would like to have honesty and straightforwardness from their governments. No one in this party has ever tried to argue that we should not tell the Canadian people that proposals made from time to time to provide public services will cost them money. In fact, of all the groups in the house this party has laid the greatest emphasis on the

[Mr. Barnett.]

fact that nothing can be had in this life for nothing and that where public benefits are provided they must be paid for. What percentage of one's income should be devoted to expenditures by citizens as a whole and what percentage should be available for personal spending is, of course, a debatable question.

The hon. member for Pembina (Mr. Bigg), who recently voted with the socialists and was kidded about it, argued that too much of our personal incomes is taken away through taxation. This is a matter of judgment, of evaluation, and can properly be a subject matter for debate.

● (5:50 p.m.)

Another subject matter for debate, which is perhaps equally if not more serious, concerns whether or not the taxes we pay are levied in accordance with the principle of ability to pay. I do not know whether the hon. member for Pembina would quarrel with my point of view—he did not deal with the matter in his speech—but I have the feeling that he would agree with me in some measure that taxes should bear some realistic relationship to the ability of individuals to pay. Perhaps he would agree with me that on this point we have something in common because the actions of the present government, not only in respect of this bill but also in respect of certain other proposals, have consistently been moving us farther and farther from the principle of taxation according to ability to pay. I do not know of any other single matter on which my constituents have expressed more concern than the type of taxation put forward in this bill.

Despite the virulent propaganda put out against the proposals of the Carter commission by those interests which felt that their preferred position in the tax field might be threatened if its proposals were implemented and despite the fact that many well meaning citizens swallowed that propaganda, I believe more and more the idea is registering with the ordinary people of Canada that Mr. Carter really had something and that despite his own personal background he made an honest and constructive effort to bring forward proposals that would rectify the inequities in our present taxation system. I believe they found in him a spokesman.

It seems incredible to me that with all the powers of analysis and scrutiny the Minister of Finance and the government have at their command, their first tax measure, having had the opportunity to analyse and scrutinize the proposals of the Carter commission report, should move in a direction directly opposite