

*Income Tax*

These are reforms that ought to be included in the tax structure. It may add a few pages to this document but, as has been said in the House this morning, we need a fundamental tax revision so that we do not have this nonsense of adding amendments to existing law. There should be a clean sweep and a refocusing by this Government on revenues so it can decide where taxes can best be applied.

Sick leave is another taxable benefit. This is obviously another area where there is no equity between workmen's compensation and the sick leave benefits. I believe that this area also deserves examination.

In the time I have left I would like to comment on the matter of confidence in this Government as a result of the manner in which it has conducted the affairs of the nation. I had a table prepared for me which shows for a 20-year period, from 1962 to 1982, the amount of personal savings that are sitting in savings accounts in Canada. These are personal savings, not RRSPs. I did not have this table prepared specifically for this debate, but I was interested to have this information when I learned of the reluctance people had to invest because of their lack of confidence in the Government. It was a startling revelation to me when I read this table. I thought that the amount of savings might solely be related to the interest rate that banks were paying on savings, but I think there is more to it than that.

I will relate these figures in billions of dollars. For example, in 1968, when the Government assumed office, there was \$13 billion and more in savings. The next year it was \$15 billion, then \$16 billion, \$17 billion, \$19 billion, \$24 billion, \$29 billion and the figure for 1981 is \$90 billion in savings accounts in this country. That is an indication of the lack of confidence in this Government.

**Mr. Mark Rose (Mission-Port Moody):** Mr. Speaker, I am pleased to participate in this debate. I hope to confine my remarks to the ten minutes which I have, but to make sure that I do I will state my conclusions and suggestions first. I believe I have a couple of proposals for those Members on the other side who might be interested in hearing some positive suggestions.

An unemployed professional visited me a few weeks ago and said that he had been looking for jobs all over the world during the last year. He said that it cost him approximately \$3 for every resumé that he prepared. Added to that cost were post office charges and the cost of a typewriter to type over a thousand résumés. That represents the cost of trying to find a job. He told me that it would be very helpful to him, and perhaps many others, if those costs could be considered as legitimate expenses of seeking work. These expenses would also help others such as schoolteachers who have either just been graduated or have been terminated. I believe this is a reasonable proposal to help those who face those legitimate expenses.

I also want to talk briefly about tax discounters. Beginning at approximately this time of year, there are people who

desperately need money who go to tax discounters. These discounters will take a person's estimated refund and discount it up to 50 per cent. While we do not need to condone this practice, it is a reflection of how many people need the money immediately and cannot wait until their refund has been processed.

I do not think it would be very difficult to include the expected tax refund over the next five years in the new income tax forms. Why not set up a regime in which people who need this service can get it either through the banks or the credit union, the Government or the Income Tax Department, so that they can receive their tax refund when they need it? They could pay a reasonable fee, but not 50 per cent. In this way they are protected from those gougers who operate fraudulently, or at least immorally. Many people need those refunds desperately.

I would ask the Government to consider those two suggestions. One is for the provision of a public discounter; the other is to recognize the legitimate cost of seeking employment. If the Government recognizes business expenses such as martini lunches or travelling expenses for businessmen, it should also consider expenses to those who are not in that bracket.

**Mr. Heap:** And the legal cost of cheating OHIP.

**Mr. Rose:** I would like to return to my introduction. It concerns the general theory of taxation. Our Party believes that taxes should be based upon a person's or a company's ability to pay. Our general criticism has been that we do not believe taxes are based on ability to pay. We believe the present regime does not reflect that but distorts it through the various incentives such as PIP grants, give-aways to the nuclear industry or favouritism toward entrepreneurs.

A distinction is made on how incomes are made. I think all of us remember when Mr. Benson dealt with the Carter paper and the theory of a buck is a buck, and that no matter from whence it comes it should be taxed equally.

Our main criticism of the tax system is that it operates unfairly. It discriminates against those who do not have the ability to pay. Taxes should be based entirely on the ability to pay. A system should be introduced outside of the Income Tax Act which provides incentives, when needed, to an industry or a certain class of people. In other words, affirmative action to assist certain groups of people.

**Mr. Cosgrove:** The home buyer.

**Mr. Rose:** The home buyer. They can be assisted outside of the tax system. While a tax incentive could be invoked as well, I certainly hope that it will reflect need and not be available in the same proportion to people who do not need it.

In that instance, the argument might be made that higher income people buy larger houses. Therefore, they need greater incentives to buy those bigger houses. I do not know whether I can entirely agree with that one.