

Income Tax Act

Now, these businessmen are worrying about the way hon. members can, in a few weeks only, digest all the aspects of this new legislation.

In the committee of the whole, when the closure rule was applied, hon. members realized that most clauses of this bill had not even been considered.

We are faced with a high-gear implementation that we cannot accept without protest, and my colleague from Lotbinière (Mr. Fortin) was right in saying a few days ago that Bill C-259 should normally have been divided in ten parts. Since we devoted a good many days to the study of such a huge bill, nobody can blame us.

Mr. Speaker, as early as 1964, when the tax reform was under way, people worried about its results. An editorial written by Maurice Huot in *Le Droit* of Ottawa reported as follows:

Say what you will, but the only way for a taxpayer to know whether his country, his province or his municipality is well managed is to figure out how much he pays out in taxes of all kinds. Even if attempts are made to lull him to sleep with high sounding words and empty slogans fed from public platforms in times of election, the fact remains that as long as the man on the street is being taxed hand over fist he will be right in having doubts about the efficient administration of the elected.

Mr. Speaker, as early as 1964, people worried about the effects of this tax reform which is about to be implemented.

Canadians in all walks of life are over burdened by taxes and levies of every description and they cannot bear them anymore. The present changes in the tax legislation are only meant to boost government revenue. It has been stated in studies made elsewhere that this reform will bring from \$600 million to \$1 billion more to the government. Who will bear the costs? The Canadian taxpayer or consumer, because taxes are always levied on workers.

For example, the capital gains tax which is supposed to be imposed on corporations will ultimately be paid by consumers under the form of increased prices which will worsen the inflationary pressure. A company can operate or survive if it succeeds in including in the price of its products all its costs, otherwise it goes bankrupt. If some cost is not included in prices the business becomes poorer and eventually goes under.

It is impossible to effectively tax a producer of the capitalist type, because his existence as a producer depends on his ability to pass on to the consumer all costs arising from the production in his firm.

Firms will tend to inflate their costs in proportion to the additional taxes that this government will inflict upon them.

It is unthinkable to believe that an unfair system will be improved by measures which will make it still more unfair.

Mr. Speaker, I am not the only one to think this way. In an editorial, on Quebec television, this was stated on November 13, 1969:

To aim at fair taxation is all right—to achieve it is, however, another thing. If you admit, at the beginning, that any direct or indirect tax increases the normal cost of goods and services, it is still as always the consumer who will foot the bill. In the end, the real taxpayer is the consumer.

And the program editor added:
—the investor may prefer to by-pass the investments that are more
[Mr. Laprise.]

hazardous, but also more productive, and limit himself to those offering better dividends or interest. One can imagine the effect of such a reaction on the creation of new industries.

Mr. Speaker, the government's decision to tax capital gains will not only bring the small and medium-sized industry to the brink of bankruptcy, but it will also prevent the creation of new industries.

• (5:10 p.m.)

This legislation, besides making the consumer foot the bill, will result in increased unemployment and will allow big trusts to operate in a way still more detrimental to small and medium enterprise. That is what we cannot accept, that is why we are fighting the legislation at this time.

Taxation is theft when it is imposed on taxpayers who do not have enough money to purchase the requisites for a decent way of living, when these exist abundantly in Canada.

The individual is taxed to the utmost on every kind of pretext that can be brought up. The legislation apparently gives him a sop by way of a very slight increase in the basic exemption on his income, whereas the exemption is not even equivalent to what it was in 1949.

Mr. Speaker, it is just on such a point that the government will attempt to sensitize the people during the next electoral campaign, which I expect will be launched at the beginning of 1972. But the government will forget to make the people understand, or remind them, that eventually the surplus the government will bring in through this tax reform will come from the consumer.

Taxes are highway robbery as long as there are unsold goods, unemployed hands, idle productive capacities through lack of sale of these goods induced by the severely curtailed purchasing power of the taxpayer.

Mr. Speaker, I say that there must be a tax system, not to finance government budgets but to levy taxes only where there is too much money. The present tax system exists in order to finance the government's budget and the levies are made where there is not even enough money. And families and individuals lose the purchasing power they must have to lead a decent life.

In other areas, studies are being made to find out what is wrong, where are the poor and how many they are in Canada. We do not seem to realize that the main cause of poverty in Canada is our tax system which is not only wrong but helps take money from those who have not enough of it already. That made former Manitoba Conservative Premier John Bracken say in 1942 that our tax system is conceived so as to take money from the poor to give it to the rich. Mr. Bracken explained that buyers of government bonds are not necessarily poor; they are big corporations, people who amassed large amounts of savings, people who have capital. But those who pay taxes enabling the government to pay interests to bond holders are the workers, the little people.

It is stealing to levy taxes at the present time when they lessen the purchasing power, cause an accumulation of products and deprive the population just like inflation. Taxes should simply withdraw surplus money in circulation while there are not enough products. When money, is scarce, taxes are no solution. Instead the purchasing