

Income Tax Act

It certainly looks like it, judging by the disputes it leads to. He goes on to say:

If I had decided just to pay by cheque, the increase in the expenditures of the federal government would have been more than \$800 million. Everyone would have said that the Minister of Finance is increasing his expenditures, while in fact it would have just been a matter of transferring cash to the provinces to reduce their taxes.

In order to be imaginative and to do what I wanted to do without creating the false impression that we are spending money—and the ministers of finance agreed with me—I said we would reduce our taxes and they could increase their taxes. As we are collecting taxes, nobody has noticed what is happening.

People are so used to paying taxes that they hardly know what is going on.

—The federal tax in Ontario and elsewhere has been reduced by \$100. The legislatures of Ontario, Manitoba, Saskatchewan, British Columbia and the maritimes have introduced legislation increasing their income tax accordingly. However, as we collected it, nobody noticed.

That is curious. What I am reading is in the proceedings of the House.

The ways our governments use in the field of taxation, income tax and other forms of draining the taxpayers' pockets are so varied and complex that wage earners, especially, wonder what is happening with the leaders of the country or the provinces when they cannot understand why there are so many deductions on their pay cheque at the end of the week.

● (1732)

Further in the same speech, the Minister of Finance (Mr. Chrétien) said and I quote:

The other provinces have increased their taxes already and we have effectively decreased our taxes for them since the night of the budget by collecting them for them.

This is the kind of formula that reduces taxes by increasing them. It is quite ludicrous but ludicrous things often happen here. The bill to amend the Income Tax Act and to authorize payments related to provincial sales tax reductions submitted on May 15, 1978 by the Minister of Finance of Canada includes amendments to the Income Tax Act and creates as always some implementation difficulties that force the large majority of taxpayers to hire an accountant to file their returns and those costly services are always paid by those whose salary or income has been reduced by the taxation, deduction, adjustment and readjustment system and we could also mention tax transfers, according to the whim of our corrupt provincial system that forces governments to find all kinds of ways to collect taxes under various forms in an attempt to balance an adverse budget.

We should not forget that this bill is submitted in particular circumstances following a strategic error that contributed to create a climate of uncertainty, hesitation and indecision with the result that the people of Canada and particularly the people of Quebec are watching the reactions of the members of the government and some of them try to figure out the number of mistakes made by the servants of those who really control

[Mr. Dionne (Kamouraska).]

our political puppets. In an editorial of the Wednesday May 17, 1978 issue of the newspaper *La Presse*, we can read comments that cast some doubts about the real value of the federalism proclaimed by politicians of various stripes. I quote:

Since November 1976 the federal government has been proclaiming everywhere the superiority of federalism over the separatist option but its behaviour is often a parody of true federalism. It resorts to trickery and overwhelming political clout in cases where only good faith and co-operation between the two levels of government should be the rule of the game. Is it not showing it quite clearly once again by choosing to override a provincial government which resists its interference in order to deal directly with the taxpayers?

It will undoubtedly justify its behaviour by suggesting that one cannot reach an understanding with a separatist government which is bound to prove that federalism cannot work. Yet could it not be that the only way to counter such tactics is to rigorously apply the federalist principles: absolute respect for the jurisdictions of each level of government, untiring patience in the quest for dialogue and consultation, constant desire to reach an honourable political compromise? Just as the value of democracy cannot better be demonstrated than by always introducing more democracy in the field of social relations, the superiority of federalism cannot be better demonstrated than by applying it with absolute respect for its rules.

In the Ottawa-Quebec dispute should the federal government not be the first to set the example of the virtues of federalism?

Yet, if the central power suspects the PQ government of acting in bad faith, why does it not try to let everyone be a judge of it by acting itself in an irrefragable manner in this respect?

In another article in *Le Devoir* of Wednesday, May 17, 1978, one could read, and I quote:

Far from alleviating concerns, the recent decision by the federal government with respect to the sales tax will have only managed in Quebec to throw oil on the fire and cement the solidarity of parliamentarians of all parties around the position being defended by the Lévesque government.

So, for the second time in less than a month the National Assembly once again denounced yesterday by a unanimous vote Ottawa's attitude in this dispute with Quebec, and specifically asked federal members of Parliament to defeat the bill tabled on Monday in the Commons by the Minister of Finance.

It goes on to say:

In a quasi-solemn atmosphere that is usually reserved for important occasions, the Assembly unanimously reiterated its support to Mr. Parizeau and asked the federal government to "stop its foolishness before it is too late".

We were so used to reading articles by reporters, a strong percentage of whom seem to go out of their way to criticize the social credit doctrine without having studied it properly, that particular events were needed to bring them to comment on the adverse effects of the financial system which are the cause of that tax war which broke out at the time of the presentation of a federal budget a few days before that of a provincial government, at a time when it is costing Canadian taxpayers over \$100,000 a day to support the floating dollar.

However, it is easy to see that the record current account deficit which reached \$4.2 billion last year was a capital factor in the depreciation of the Canadian dollar. Most of those problems could have been avoided if the government of Canada had decided to adopt a financial policy more in line with the needs of Canadian taxpayers.

For over a month we have been reading varied comments on that famous tax fight between the federal government and the