

The Budget—Mr. Matte

telephone and insurance at \$600, we obtain an amount of \$5,380. No recreation, no minimum comfort, only what is decent! This explains why a great many Canadian taxpayers get into debts—they cannot make ends meet. Yet the government first levies \$302 from this wage earner.

Now, in 1971, Mr. Speaker, married people should have an exemption of at least \$5,000 just to be able to keep up.

For the 4,700,000 taxpayers who will be getting a rebate of 1 per cent, that is a few cents a day, again I say that will not change much in their lives. The 2 million Canadians who will have to pay an increase of 1 per cent will not get much. More will come out of their pockets. The same goes for the 1,300,000 other taxpayers who will have to pay a substantial increase. All in all one can say that, in certain respects, the budget is a piece of bluff. I shall single out the various points of the budget indicating that it contains a lot of negative features—the three-year tax exemption that co-operatives, caisses populaires and credit unions enjoyed is out. These institutions will be paying taxes. Retraining allowances will be taxed and so will unemployment insurance benefits, employer contributions to medicare programs, university scholarships, allowances to textile and clothing workers.

Sales tax on construction materials has not been abolished and everybody knows to what extent this tax is unfair and how it interferes with the normal development of housing in this country.

The most destitute classes of our society will still have to pay taxes, and particularly the families with incomes of \$5,000 or less.

There is no provision for increasing the income of older people who will have to get along with starvation pensions.

There is no provision in the budget for boosting overall demand and urge employers to hire additional workers to spur production; then, the rate of unemployment will keep soaring up.

Consumer and government indebtedness will increase at a rapid pace. The sharks running our banking system will get richer, fraudulently and at the expense of the Canadian community. I do insist on this point and intend to prove without the shadow of a doubt that the indebtedness of the Canadian population, forced upon it by our present taxation system, only benefits the bankers. There could be but one justification for taxes: if everyone were working, production would be insufficient to answer the needs of the whole population because of excessive consumption.

In fact, the expediency of the whole taxation system rests on two principles: first, that the poor would become richer while making the rich poorer; second, that there is justification for supporting a regime of accumulating wealth while at the same time arbitrarily confiscating part of this wealth. This last proposal is equivalent to stating that the aim of a hockey team is scoring more goals, but that goals above a certain number will be disallowed.

There is confusion between money and true wealth. Let us first consider the original assertion to the effect

[Mr. Matte.]

that the poor are poor, the less poor are not so poor and the poor would become richer. It is the result of equating money with actual wealth. It is alleged in the first place that absolute equality exists between actual wealth and money, and that if somebody has much money in comparison with his neighbour, the community's standard of living will rise should the rich man be taxed even though his neighbour who is poor does not receive all that money, which is mostly the case.

This argument is obviously absurd if it is applied for example to those people who own Cadillacs. If one should believe that all Cadillac owners should be taxed because of their standard of living, it does not entail in the least that people who do not own a car or who drive a Volkswagen would be able to acquire a Cadillac; it only means that fewer Cadillacs will be manufactured. It would certainly be advantageous if the production system could be geared to absorb elsewhere that part of the labour force engaged in the manufacture of Cadillac cars and have them produce real and desirable wealth.

We see that this is precisely what happens in wartime, when the production of luxury items stops. But in wartime, we have no unemployment, no problems of unsalable production surpluses. But under the present financial system, preventing the sale of Cadillac automobiles would result in increased unemployment, and full employment is the best way to keep the people in bondage.

All these arguments are based on the premise that the production of real wealth—that is, of things that can be bought for money—is completely separate from the production of money to buy them, and that by taxing everyone but bankers, we increase the power of the money makers' trust.

• (3:50 p.m.)

Fortunately it is no longer necessary today to expand on that point since it is not discussed any longer in financial and economic circles. It is stated in Volume 15 of the *Encyclopaedia Britannica* that:

Banks make loans by creating credit. They create means of payment out of nothing.

Or again according to the president of the Midland Bank:

The monetary mass in circulation varies through the action of the banks.

Since our civilization is based on money and that without it nobody can do nor buy anything, this situation obviously puts everybody at the mercy of banks, in every respect, and an increase in taxes, by decreasing the amount of money available to taxpayers, tightens the bonds with which banks enslave us.

So the first thing that we must clearly see, without investigating the destination of taxes, is that heavy taxes with which we are directly burdened favour banks operating within the banking system.

But a brief analysis of what is done with taxes makes us realize that part of them helps pay interests on the national debt and the other part—the biggest—is used to