

taxes directly relevant to industries which provide more jobs, and only to those kinds of industries. We will probably be moving an amendment in that area, as well.

While talking about taxes, I cannot sit down without taking a parting shot at the government. I am talking about its general tax policy, and particularly as that affects average people in contrast to the way it affects upper-income people. In recent weeks, many men and women in my constituency have come to me and pointed out that when they collect unemployment insurance and SUB benefits—and I am glad to see the hon. member for Windsor sitting opposite me; he knows this very well and I will welcome his comments on the matter later—they are now not so well off as before. For the first time in Canada's history UIC benefits are being taxed. Therefore, these people are less well off under the new system than they were under the system which preceded it. In this area, instead of there being reform, there is regression. I hasten to add that our party does not oppose, in principle, the notion of taxing income, whatever the source. What we oppose, and this is the important part, is the taxing at this time of unemployment insurance benefits by a government which taxes only one-half of capital gains.

This government has brought in a capital gains tax. Instead of taxing the full amount of the gain, it taxes only half the gain. That is the kind of typical Liberal injustice to which we object. We would have fully supported the dollar is a dollar tax reform proposal that the Carter royal commission proposed. The commission said that we should tax capital gains just as we tax any other money income. The government has not done that. It has said to the man who makes \$50,000 or \$10,000, or however much it is, on the stock market in Toronto or Montreal, "You will have to pay a tax on only half your gain; the other half is tax free." At the same time it has said to the unemployed in Canada who are collecting unemployment insurance, "You will have to pay income tax at full rates on that unemployment insurance benefit." That is the kind of hypocrisy which I find totally unacceptable. One day it may be totally unacceptable even to the Liberal party of Canada, although I suspect Utopia will be here before that day arrives. With those remarks I will finish, and yield the floor to a member of the *Créditiste* party.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to comment briefly at this stage on Bill C-169 which would reduce a little the income tax of individuals and corporations.

Like the hon. members who had the floor previously, Mr. Speaker, I feel this bill is a half-hearted attempt to reduce taxes. I would have hoped for a much more elaborate statement from the minister on that matter. He has indicated that the decrease of the income tax of corporations by 7 per cent was intended to give them more flexibility than at present, and that the decrease of the income tax of individuals by 3 per cent for 1972 would increase their purchasing power.

• (1650)

If we think a little of the effect of the tax reductions provided by Bill C-169, I feel that it will not be as favourable to the individual as the government seems to think.

Income Tax Act

First, individuals who pay \$1,000 in taxes each year are rather scarce and we do not find many among lumberjacks, nearly never among miners, construction workers, service and store employees. The very few who pay \$1,000 in taxes will receive a \$30 annual reduction under the act.

Those, more numerous perhaps, who pay \$500 in taxes will receive a reduction of \$15 but those who pay about \$100 will only have a \$3 reduction, which is, after all, not overly generous.

As for those who don't have to pay any income tax, they will obviously not get anything out of this piece of legislation. That goes for those who live on retirement pensions, old age security or welfare allowances; this bill does not mean a thing to them.

For those who are more favoured, those whose revenues enable them to pay income tax, they at least have some reduction, but the vast majority of taxpayers stand to gain very little indeed.

The government is far more generous, however, toward corporations, large or small. Generally, they pay more taxes but this 7 per cent reduction represents rather significant sums.

On the other hand, we know that corporations can recoup the taxes they must pay by including them in their production or services costs.

Therefore, Mr. Speaker, once more, we realize that the government is far more respectful of large corporations than of individuals. However, I feel that the number of the latter is much larger than that of the corporations.

I believe it would have been smarter on the part of the government to grant a much larger reduction to individuals for the year 1972. Its effect would have been felt much more, since a larger purchasing power would have been available to individuals and workers, and the corporations would have equally benefited since the individuals would have had much more money to spend to meet their needs.

Considering those facts, Mr. Speaker, of course we cannot say that we are formally opposing this bill since its effects will at any rate be better than nothing, but the fact remains that the government cannot be too proud of having introduced this legislation because, in my view, and I said so in my opening remarks, it is much too timid for the importance they want to attach to it and its effect among our people, especially among the workers in general, will be very small.

Mr. Speaker, the bill must be referred to the House committee of the whole, and I hope that the minister will be much more eloquent in committee than he has been in his statement on the motion for second reading. It may be that we will be given—at least, I hope so—information much more meaningful than what we listened to this afternoon, and then, we shall be in a better position to evaluate the impact of such a bill.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some hon. Members: Question.