

Income Tax Act

money and opposed to taxation. That is not our position, but we question the equity of present taxation. We recognize the fact that taxation is a great equalizer of revenue.

The minister suggests that we in this country are very lucky because President Johnson is proposing a 10 per cent increase in taxes. If this government is attempting to mimic the United States I suggest it is making a mistake. We should not match our financial position with that of the United States. I suggest that the financial position there is worse than that of any government in the history of the world. The minister should not try to lead us down the garden path by making comparisons with United States financial measures.

The minister also made reference to economic measures being taken by Great Britain. Obviously such measures are necessary to correct the 400 years of poor administration by governments in that country. The Minister of Trade and Commerce referred to the plight of the mining companies at Elliot Lake. How many millions of dollars did Rio Tinto and Rio Algom take out of Elliot Lake mines? Who has been left to pay the bills? Who has been heating the 400 houses in Elliot Lake since the mining companies left? Hon. members know as well as I that the bills are being paid by the Ontario Housing Corporation. Who is supporting the hospital there built to serve a population of more than 30,000 but now amounting to about 8,000? We all know that these costs are being paid by the taxpayers and have been paid by them since the uranium mining companies moved out.

The average citizen of this country is not enjoying a higher standard of living because of higher wages. Every time there is an increase in his wages there is an increase in taxes. I hope hon. members are aware of the fact that mining companies enjoy special privileges at the federal and provincial levels. It is a mystery to me how these companies have seduced various governments. They are in effect perpetrating a rape of provincial and municipal governments. There is only one industry in the province of Ontario which does not have to pay municipal taxes and that is the mining industry.

We must have remedies for all these situations before we increase the tax burden on individuals in this country. We in this party cannot support this measure to increase the tax burden in order to bail this government out of the financial mess in which it finds itself. I suggest that the government should

[Mr. Germa.]

seriously consider adopting certain recommendations of the Carter commission.

Let me remind the minister of his statement of November 30 in which he suggested that the Carter commission recommendations could not be applied to the financial situation in 1969. We all agree that financial positions change, but basic principles do not. We in this party believe there must be a change in our tax structure but the change must be based on equity. Until an equitable tax policy is adopted we in this party will not support measures of the type now under consideration.

[Translation]

Mr. Grégoire: Mr. Chairman, I should like to say a few words on this question of the tax increase, because I was surprised a while ago to hear the hon. Minister of National Revenue (Mr. Chrétien). It is the first time I hear such a statement from a minister: The people of Quebec, the taxpayers will be happy about the increases. That is precisely what I heard. The minister said it at least three times and the hon. member for Bonaventure (Mr. Béchard) can testify to that because he was next to me when we listened to him. He said that the taxpayers would be happy about that increase. I have never heard anything like that.

• (5:40 p.m.)

If an increase of 5 per cent makes the people happy, let us make them really happy by increasing the income tax by 15 to 20 per cent. I have never known anyone to say that he was happy about a tax increase, in spite of what the Minister of National Revenue said earlier. I would like to see him tell the people: Be happy, we are increasing taxes. When have the taxpayers been happy because the government was increasing the income tax? The minister could at least have used another word. Increases in income tax do not make a man happy. If I am mistaken, taxpayers can be made happier by increasing their taxes by 10 or 15 per cent. I, for one, find that diametrically opposed to public opinion.

I heard the minister say that for the seventh consecutive year we are experiencing an expansion. An expansion of what? One thing has been progressing for the last three of four months: unemployment. In fact, that is what is progressing the most in the province of Quebec, in the province of the Minister of National Revenue, where the unemployment average has reached 7.5 per cent of the labour force. That means that 7.5 per cent of Quebec