

Income Tax Act

Yesterday, the hon. member for Ontario (Mr. Cafik) said that he had asked the Minister of Finance to draw up interpretation clauses in the bill. It is a fine suggestion, Mr. Speaker. Even the government members do not understand the bill, since they ask the minister to draw up interpretation clauses so that the bill may be understood more easily, not only by hon. members but also by all the people.

Mr. Speaker, the great losers, with the passage of this bill, are the provinces. It is not only the opposition which has been gagged by the application of Standing Order 75C, but also the provinces which came here for the federal-provincial conference asking the Minister of Finance to postpone the implementation of this bill. This postponement was meant to try and reconcile the provincial tax structures with the federal ones which are now being put to us. This was a very legitimate request aimed at coordinating the priorities of the provinces and the requirements of the federal government in the field of taxation. There again, the Minister of Finance said no to the provinces. This bill had to be implemented by the 1st of January.

Mr. Speaker, above all one should consider the harmful consequences this bill will have for the middle classes. One should also consider the disastrous effects this bill will have on small businesses. We know that the rate of assessment will be raised considerably for the small businessmen and the small tradesmen; we know also that the benefits of the small businessmen and the small tradesmen are reinvested in order to create more jobs. However this new kind of taxation means plain death for the small businessmen and the small tradesmen. Heaven knows—and my colleagues from Quebec may confirm it—the small businessmen and the small tradesmen represent a power in Quebec. If a bill takes away even more money from them the tradesmen will not be able to use it to develop, to improve their enterprise and to create additional ones.

Mr. Speaker, I must say that this party, which is the official opposition party, will support the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles). And I think that by moving this amendment, the hon. member is working towards a lowering of the poverty line.

Mr. Speaker, I would like to refer to the description of poverty given in the Senate report on poverty, which says:

The over-all poverty rate is approximately 25 per cent; one Canadian in four is a member of a family unit whose income is below the poverty line.

Over half of all low-income families live in either Quebec or Ontario.

Nearly two thirds, or 63 per cent, of low-income family heads are members of the labour force. More than a quarter (27 per cent) of all low-income family heads are 65 years of age or older.

Mr. Speaker, I believe a Quebec member should rise in his place and speak in the House in order to protect low-income Canadians, especially those in his province, since according to statistics, French Canadians are the poorest people in Quebec. In the Montreal area, French Canadians draw the smallest salaries. They come just before the Italians; all others are better paid than them. The amendment moved tonight tends to ease the burden of the average wage-earner. All Quebec members should

[Mr. Asselin.]

support that amendment that tends to help the average people in Quebec which still live in extreme poverty.

Mr. Speaker, we must give those have-not people hope for a better life. But where do we find such hope in this bill? Some may say that a million Canadian people will not pay taxes anymore, that exemptions will be \$1,500 for single persons and \$2,850 for married people! This is a farce, Mr. Speaker! How can one expect single persons or married people with extremely low incomes to survive? They do not live, they merely exist. The middle-income people are overtaxed. All my colleagues from Quebec know that. Let us look at the salaries paid in the Quebec plants. The workers are often given a five-inch long cheque, but once deductions are made there is but an inch and a half left.

Mr. Albert Béchard (Parliamentary Secretary to the Minister of Justice): What does the difference go?

Mr. Asselin: It is being used to pay the taxes of the Minister of Finance.

Mr. Speaker, a wage-earner with four children, who earns between \$5,000 and \$6,000 a year cannot possibly live decently, considering especially that the cost of living has steadily increased over the last two or three years. As for the average plant worker, his tax is withheld, so there is no possible loophole for him.

Corporations and other public agencies can find loopholes. Indeed, chartered accountants and tax lawyers have informed us that they have already spotted about one hundred loopholes which will enable large corporations to pay less in taxes.

Mr. Speaker, I do not suggest that this whole bill is worthless. I am more realistic than that. But I suggest that the government has, in many areas, taken back what he has given. Do you need instances of that? Here they are: Unemployment insurance benefits have been raised, but the recipients will have to pay tax thereon.

Grants are given for retraining, but they will be subject to taxation.

Scholarships are granted to postgraduate students, but even these will be taxed at a certain level.

Our party has never stopped to fight for the farmers and yet, this bill does not spare them. We have had to wage a desperate battle in order that co-operatives and credit unions could keep the vested interest of which they had been deprived by the minister.

Mr. Speaker, the amendment moved by the hon. member for Winnipeg North Centre is to the effect that the rate applicable to the first \$500 of taxable income be reduced from 17 to 2 per cent and it proposes a reduction of \$75 at all levels.

• (8:40 p.m.)

For once, Mr. Speaker, I agree with a socialist member of this House. The hon. member for Winnipeg North Centre said that 22 years ago he had spoken on an amendment similar to the one he moved tonight. The initiative he showed tonight is a true attempt to reduce the heavy tax burden, as he said a while ago, of the middle class citizen who cannot pay any more taxes.