

Tax Structure Committee

Canadian citizens' cheque stub is larger than on the cheque itself and, before long the Canadian worker would rather get the amount appearing on his cheque stub than what is left on the cheque itself.

The minister also announced that the committee will try to ascertain priority requirements where they are, and that an attempt will be made to leave the main tax fields to meet priority requirements.

It will be recalled that during the hostilities the federal government said that war was the priority requirement and it invaded almost all tax fields. While the priority requirements have changed, the government has not yet withdrawn. Today those requirements are felt in the fields of education, health, roads and public works. All those fields come under provincial jurisdiction, but the federal government has not yet given back those tax fields in order to enable the provinces to face their priority needs.

The minister also told us that the committee will study the problem of the financing of public expenditures. Why must public expenditures be financed exclusively on the people's taxes?

Could the Minister of Finance not recommend to the committee to find other means to finance public expenditures or public works instead of digging constantly into the pockets of the Canadian people?

When England feared a devaluation of its pound sterling another method was found to prevent it and even to reevaluate the pound sterling. What was the action taken? They called on the Bank of Canada which, at that time, was authorized to lend money to England at an unknown interest rate, in order to prevent a devaluation of the pound sterling. England was not forced to levy new taxes. Why not do the same in Canada when it would mean greater wealth for the country.

If we want to make our country richer through public works, health insurance plans, old age pensions or family allowances, let us seek other means apart from taxes to finance public expenditures.

England found one. It comes and dips into the funds of the Bank of Canada, or, at least, the Bank of Canada is authorized to lend it money, almost interest free, to enable it to restore itself. Why not do the same for Canadian citizens?

This is a recommendation that the committee, the setting up of which is proposed today, should take into serious consideration. This committee should not be limited to considering taxes alone, because we know that they

[Mr. Grégoire.]

are too high; it should be commissioned to find ways of financing public expenditures without raising taxes, and by using the Bank of Canada instead.

The Minister of Finance also announced that this committee would study the tendencies of public debt levels in the federal, provincial or other fields.

If this committee studies the tendencies of debt levels, it could also be requested to study the harmful aspect of public debts. This harmful aspect is easily recognized when one sees that the biggest problem for the finance minister in Canada at the present time, is the interest he pays on the debt of Canada, which amounted to \$1 billion 81 million in 1964. If he did not have to pay this interest on the debt the problem he is now facing would not exist.

The same thing can be said for provincial and municipal governments.

The minister also states that the purpose of the committee will be to study joint programs.

Mr. Speaker, may I also express my viewpoint on joint programs. Those programs practically set up two different authorities to manage the same thing. Consequently, too many people are in charge of directing a plan. And when there are too many people to cook the soup, the soup is spoiled.

Those joint programs have been popular for some time in Canada, with two different authorities which endeavour to direct the same thing, and give contradictory orders. In the long run it is found that the joint program does not serve its purpose.

I want to make a suggestion to the committee: let us eliminate those joint programs and give the authority to manage a program of that type to only one level of government.

Mr. Speaker, this committee is now too restricted in its activities. It does not receive enough instructions; it is not sufficiently requested to think about a program other than the taxation system and to try and make the Canadian economy operate. It is too restricted to the taxation field and to the effects of taxes in some fields, while it should instead be asked to make a general review of the Canadian economy.

The Minister of Finance states with a big smile that everything is fine in the economy of this country. A labour organization in Ontario mentioned recently that there were four million poverty-stricken people in Canada. Well, the Canadian economy is not as good as that. The Minister of Finance should set up a committee which, besides analysing our taxation system, would attend