

*Income Tax Act*

**Some hon. Members:** Oh, oh!

**Mr. Deputy Speaker:** Order, please. I implied that it was not a point of order. I also said that if the hon. member had a point of order, I would so indicate. The Chair felt the hon. member had not raised a point of order and recognized the hon. member for Compton.

**Mr. McGrath:** All he does is interrupt people.

[*Translation*]

**Mr. Latulippe:** Mr. Speaker, I know that many government members are annoyed with me, but I take my responsibilities and say what I believe to be the truth. I will make my whole speech accordingly.

I said earlier that the present system is still worse than the previous one. The taxes will drain the people dry and the number of welfare recipients will go up. The taxpayers have had their fill and they will be increasingly burdened and deprived, and the gap between the rich and the poor will be further widened.

We are strenuously object to this attitude, and we want to reassert that a lasting fiscal review should alleviate the entire tax burden. The greatest problem now is an already unduly high tax rate. This system has been subject to steady pressures during the past decades, because an excessive growth of public expenditures had to be checked.

In 1952, the expenditures of all governments amounted to 26 per cent of the gross national product. This percentage has increased steadily and public expenditures now account for 40 per cent of the gross national product. Should this trend persist, all the benefits of tax reform will disappear because there will be further tax increases, like the capital gains tax. We cannot stress sufficiently the need for a program of expenditures as well as for tax reform.

Nothing was considered with regard to an expenditure program which would allow Canadians to know where they are going. No, taxes are imposed. The intention is to tax capital gains, when, to a large extent, it is capital itself that will be taxed.

• (9:30 p.m.)

So, even if the tax system most efficiently creates and maintains equality between people, families and companies that make up the population of Canada and participate in its economic life either in production, consumption or capitalization, we have to realize that it is not in a mess of 707 pages of legal texts and over 2,400 codified paragraphs that we shall succeed in straightening out the affairs of the state. It is as if we were looking for a needle in a haystack.

Still I want to congratulate our courageous Finance Minister (Mr. Benson) who is beginning to show signs of weariness after so many preliminary pieces of work.

In the last ten years, even the Canadian Chamber of Commerce complained about the indecipherable complication of a great number of often contradictory details of the income tax legislation.

Mr. Speaker, even though I sit on the opposition side and belong to a political party whose name is Social Credit, I very definitely consider all legislation from the

center of today's world and the economic life of 1971-72 in Canada as it is now, haphazardly led by a Liberal majority government. With a realistic awareness of the situation of Canadians, strictly from an economic viewpoint, I should like to see much more effective and manageable and also more practical economic reforms and adjustments emerge from our parliamentary work.

When I think of the famous Carter report all 2,600 pages of it, when I think of the royal commission of inquiry on taxation reform that cost us more than \$3.6 million, when I think of the many briefs submitted by most of our large groups of learned people, experts, economists, capitalists, trustees, financiers, manufacturers, national and international bankers, when I think of this voluminous undecipherable paper stack accumulated by joint committees on this matter, when I think of the "condensed" form of the famous White paper which has been under numerous attacks and purges imposed by the bureaucracy of governments or pressure groups or intermediaries, when I think that we still have to go through 707 pages of a new bill, page by page, paragraph by paragraph, I feel that this legislation will finally be passed much more out of exhaustion than ability and satisfaction from all participants and responsible people at all levels.

Mr. Speaker, the Committee on finance, trade and economic affairs received more than 3,000 briefs among which there were some from Ontario and the Canadian Chamber of Commerce, truly outstanding briefs which were hardly taken into account in the drafting of this bill. And when all the briefs had been considered, the Committee of Finance, Trade and Economic Affairs produced its report which the government almost totally rejected, subsequently appointing an independent, highly-paid board to prepare another report, coming up with the notorious 707-page bill now before us.

Why go to so much trouble for such poor results? I don't believe we are that stupid. We all feel confined in the hermetic frame-work of old tax, economic and political structures. We long to change things to meet the needs of the people. Yet we want to retain them in order to satisfy the producers who benefit by the established structures which obviously can only increase the widening gap between the rich becoming richer and the poor becoming poorer. All the evil comes about because of the pretence of changing things to please the people, while allowing the same structures to go on having the same effects, in order to please the known or unknown people who control the established system.

I am not suggesting that we change the established system. No, that would just make things worse. Under present circumstances, it is not the system which needs changing. It has at least one merit, which is to preserve with strength and continuity the unbalanced planning which we are accustomed to. This is the good side of a strategic bourgeois pragmatism. Well planned imbalance is still better than complete chaos, civil war, revolution, and the destruction of those things in the system which are still good, positive, constructive, and profitable.

It is not the system of a planned imbalance which we must destroy. This system guides planning towards a national equilibrium between all citizens, all families and all companies which make up the whole economic life of Canada. This is one of the answers.