

Income Tax Act

(Mr. Roy) has said a short while ago, following the speech of my colleague for Champlain (Mr. Matte), that 750,000 workers—that is also what the Minister of Finance has said—would be exempted from taxation, under the new bill.

Mr. Chairman, this means that 750,000 workers will be too poor to pay taxes, whereas according to studies made by university professors, labour unions and other persons show that one third of Canadian people live on the threshold of poverty. In spite of this, the minister has the nerve to come here and say that he is glad that 750,000 of these people will not earn enough money to pay income tax. This means that they will have earned the income, the salary of starving people. Such is the government policy and the effect of the just society. Taxpayers do not want to be taxed beyond their ability to pay. We would all like to be tax exempt.

• (5:40 p.m.)

I have in hand some newspaper reports dealing with the matter. In 1964, we could read the following headlines: Farmers demanding basic tax exemption.

President of Imperial Oil once more speaks against tax system unfair to oil industry.

Beer industry would be too highly taxed, according to Brewery Association.

Insurance companies do not want to be taxed.

CFU wants immediate readjustment of land tax.

Every day and every week, we hear from associations, companies or groups of citizens asking tax exemptions to the government.

Mr. Guay (St. Boniface): Mr. Chairman, the hon. member speaks in every way like the hon. member for Compton (Mr. Latulippe). I would urge him to be more careful.

Mr. Laprise: I am ashamed not of my colleague, the hon. member for Compton, but rather of the attitude adopted by my friends, the government members, towards the Canadian people.

When we study the report on public accounts in Canada, especially those for 1971 which has just been distributed, we see in subsection 2.10 a table giving the revenue and expenditures of the government. According to the data for 1970-71, direct income taxes amounted to \$7,576,000,000, based on preliminary estimates. Indirect taxes amounted to \$4,083,000,000 and direct corporate taxes to \$2,120,000,000.

Everyone knows that companies have the privilege of including their taxes in their production costs, so that in fact the consumers are paying those taxes for them.

Those figures indicate that \$13,779,000,000 are paid more or less directly by Canadian workers.

In paragraph 3.2 of the same report, another chart shows the rate of increase in taxes since 1967. It can be seen that in 1967, 30 per cent of taxes came from the income tax of individuals, while in 1968 that proportion rose to 31 per cent, and in 1969, to 33 per cent, where it remained in 1970, only to rise again in 1971 up to 37 per cent. In the same period, corporate income tax was 19 per cent in 1967, 18 per cent in 1968, 20 per cent in 1969 and 21 per cent in 1970, but decreased to 17 per cent in 1971.

While the income tax of individuals rose from 30 to 37 per cent from 1967 to 1971, corporate income tax decreased from 19 per cent in 1967 to 17 per cent in 1971.

When we hear about equity or totalitarianism and when certain people try to distribute wealth in Canada in the manner required by those who advocate it, it is obvious that they do not and never will meet their objectives.

We, in the Social Credit, believe in free enterprise in Canada and in a tax system consistent with this freedom. We also believe that our tax system should be equitable and non-discriminatory. The purpose of a tax system should not be to finance government expenditures but to take money where there is too much of it or to prevent unbalance in any economic area. In my opinion, the purpose of a tax system is to withdraw money when and where there is too much of it.

But today, the government is boasting however apprehensively in presenting Bill C-259 that it will increase the basic income tax exemption in such a manner that 750,000 people will no longer pay taxes.

Well, as I said at the outset of my remarks, there will be too many people who will not earn enough money to provide for their family's needs. Perhaps they would be happy to earn enough to pay a little income tax.

Mr. Béchard: If they did pay any. It is not as bad as that, because they will not pay any.

Mr. Laprise: But where the government deceives the people Mr. Chairman, is in the indirect taxation area: excise tax, tax on the production of manufactured products. The 750,000 people who will not pay direct taxation will have to pay indirect taxation; they will have to pay tax on manufactured products whenever they buy things that their income allows them to buy. That is where lies the injustice of our taxation system, which tries to get money where there is none or not enough.

I have here invoices to prove what I am saying, Mr. Chairman.

Since the tax system in this country amounts to double taxation, it is not surprising to see the government continuously introducing proposals to fight inflation, and that fight is always lost before it starts because the government is not aiming at the right place.

I have here two bills from lumber firms. One is for 488 feet of 2x4s at \$58 per 1,000 feet, which amounts to \$28.30, and the other for 228 feet of 1x6s, and that amounts to \$15.50, for a grand total of \$43.80. Then comes in the 11 per cent federal tax on all wood sold. On top of that, you have to add the 8 per cent provincial tax. The Quebec provincial tax is added to the federal tax.

One must not be surprised to see that the people are infuriated at such a tax system and no longer want it. That is where lies the injustice, the government taxes indirectly the Canadian consumers when they go out to buy.

• (5:50 p.m.)

An arduous fight is raging between the three levels, of government, each wishing to get a significant share of the income of the Canadian people. If the federal government really wants to improve its administration, relieve the population and provide it with a better chance of living