

Income Tax Act

High level commissions, boards, task forces, reviews of policy and all that sort of thing will not prevent people much longer from seeing what is happening. People must have the assistance they need.

We in this corner of the chamber make no apology for having carried on this fight so strongly. We have carried it on ever since this retrogressive step was first taken, now a couple of years ago or more. We want it labelled a regressive step. It is a deception tax. We want the minister to reverse his course and adopt the principle of taxation according to ability to pay outlined in the Carter Commission report. If he will do that he will really be flexing the muscles to good purpose that he attempted to flex last night.

You cannot fight inflation with the nickels and the dimes of old age pensioners, children and other people on social welfare assistance. If you want to fight inflation you have to collect the revenue where the revenue is and impose controls where controls are needed. If the minister will do that there will be some hope of getting some kind of just society and of retaining the people's faith in democratic government.

[Translation]

Mr. Latulippe: Mr. Chairman, it is with pleasure that I rise to say a few words on Bill C-191, and especially on the clause respecting the social development tax which should be called the antisocial tax, because it is for the citizens a burden that deprives them of purchasing power when they do not even have enough of it.

It is a deceitful tax. They have used rather familiar terms to make the people believe that it is really a tax to help society, to give it more stimulus, when it will have quite the opposite effect.

This tax deprives society of its purchasing power when it has not enough already; moreover, it will be used mostly, as the hon. member for Shefford (Mr. Rondeau) said, to replenish the consolidated revenue fund and to pay increased interest rates. It will be used mostly to pay the increase in the interest rate on debentures that are renewed at the higher rate.

I am wondering how this government can do everything while it has a clear majority that should enable it to help society. It does not find anything else to do but to cause trouble.

It is not by increasing interest rates and the cost of living that we will be able to check

[Mrs. MacInnis.]

inflation which is precisely due to the increased interest rate, one of the main causes of inflation.

Inflation is caused by 20 per cent of the people, while 80 per cent are in a state of deflation. And everybody is put on an equal footing. They say that inflation is created by everybody, but it is paid for by those who are in a state of deflation.

The present government is leading us into bankruptcy. It could find other sources of revenue instead of taxing the little people, the poor, instead of reducing the purchasing power of those who already do not have enough.

• (5:40 p.m.)

A great number of people pay taxes—I say this to the Minister of National Revenue (Mr. Côté)—and are compelled, for this purpose, to borrow on a promissory note at an interest of 10 and 12 per cent from banks or credit unions. I have endorsed many promissory notes to help people get the money needed for their taxes. I, myself, have borrowed from financial institutions to pay my taxes.

The people have no money and cannot pay more taxes; yet, the government taxes increasingly. The economic imbalance is getting worse, and this creates new problems for the people.

The financiers get rich by means of exorbitant and unreasonable interest rates, since they reduce the purchasing power which should be increased as production increases. The gross national production increases—it will increase by 5 and perhaps even by 6 per cent this year—but the purchasing power of the people decreases. Now, if the gross national production increases, the personal income should also increase.

The government is doing exactly the opposite and the solutions proposed are more trouble than we ever had before. While we are in a period of full prosperity, we should build, because anything that is physically possible should be financially possible.

There are a considerable number of programs or developments that we could carry out, but on account of the austerity system, social development is being hindered and the government has the nerve to tell the people: We are imposing a social development tax. It is the most hypocritical and ignominious tax ever seen in a country.

Communist tricks, and tricks from countries behind the iron curtain are being used to make the people believe that they are