

Income Tax Act

be hit the hardest? I do not know how it can be called a social development tax when it hits hardest those people who need opportunities to develop. Many of them live in economically depressed areas of our country. They need assistance in the field of culture, in achieving higher academic standards and so on. So once again I appeal to the Minister of Finance to consider seriously what he is doing before bringing in a tax of this sort. I appeal again to the minister to move away from the kind of philosophy the government has displayed in seeking to impose this tax.

[Translation]

Mr. Godin: Mr. Chairman, following the June 1968 election, the well timed arrival in the house of the present Prime Minister (Mr. Trudeau) had given rise to great hopes in many Canadians.

Following the adoption of new rules of procedure, together with the establishment of a more flexible procedure within the cabinet and a roster system designed to give ministers more free time, it was felt that deep changes were in the offing and that economic problems would at last be looked into for the benefit of the whole population. Unfortunately, an analysis of most bills which were amended and passed shows that it was only a dream.

The government has indeed dealt with some economic and financial problems. Regional disparities were pointed out and a series of bills designed to remedy those disparities were introduced and adopted. Nevertheless, for workers anxious to build their own home, for veterans who are looking for work or want to start a business, so as to end their constant shifting about, for fishermen and farmers, all the measures dealing with the working class, far from helping those people, have tied them down and made them increasingly dependent upon financial interests.

And the highlight of this session is, I think, Bill C-191 now under consideration, since it affects the taxpayers who had not been affected by the bills already mentioned. In fact, clause 27 stipulates:

Every individual liable by virtue of subsection (1) of section 2 to pay a tax under Part I for a taxation year shall pay a social development tax for the year equal to the lesser of

(a) 2% of his taxable income for the year as determined for the purpose of Part I, or

(b) \$120.

Mr. Speaker, the government levies a social development tax. As the fishermen's income

is too low to be subject to tax, Bill C-151 throttles them with the interest rates charged on the loans they raise in order to finance their operations.

In the case of farmers, who seldom pay direct taxes owing to their exorbitant operation costs, the situation is almost the same. As a result of Bills C-110, C-111 and C-112, which allow the government to juggle with interests rates every three months, the farmers, during the next years, will obviously pay their fair share to the financiers.

Government experts had a brilliant idea: to tax development. One can remember that the idea of a social development tax had been put forward with a view to balancing the budget and was supposed to be a temporary measure only.

This temporary tax is unfortunately in the process of becoming a permanent one, just like all the others, with this difference, however, that it is still more unjust.

Many hidden taxes have become public owing to the force of circumstances, such as the sales tax, the excise tax, and import duties. All such taxes are paid by purchasers. To some degree, we have become used to such taxes.

There are also direct taxes on workers' pay. That was the fairest form of taxation, as it was determined by income. I am not thinking of the fabulous amounts that some people may fail to mention, but I am thinking of the worker who receives only part of this pay after all levels of government and various organizations have taken a share of it.

Now, under clause 27 of Bill C-191—Part IB, Social development tax—this tax is limited to \$120.

Mr. Chairman, I would say that this clause smells of blackmail and haggling even.

"Social development", those are two words used to designate a 2 per cent tax that cancels out on salaries exceeding \$6,000 a year. Considering that \$100 more or less is of little importance to the man who earns \$10,000 or more a year, and that it is a social development tax, why put a ceiling of \$120 on it, Mr. Chairman?

I believe that the economist, the lawyer and those who earn \$20,000 or more a year, have made more progress than the man who earns only \$3,000 a year.

When the government collects \$120, from the man who earns \$12,000 a year and collects the same amount of \$120 from the man who