

Income Tax Act

it. It was their officials who looked into it and they looked at it in the same light as wanting a deduction for themselves every time they go somewhere. They always want a deduction for their cars or for something else. It is very easy for them to understand that employees of big corporations must operate on expense accounts. We allow this type of deduction in the civil service but we do not allow it to the many workers who have to make a capital outlay in order to obtain a job. This outlay is not put in the same category as the \$100 deduction for medical and charitable expenses. Most hon. members have made representations about this matter during the ten years I have been a member of the house. However, nobody has listened to the representations that have been made.

[Translation]

Mr. Chrétien: Mr. Chairman, I wish to make a few comments, because I was somewhat irritated by the intervention of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron). Usually he is rather composed. I have never seen him so nervous than this afternoon when he attacked the tax policy of the government. It is probably due to the nervousness now existing in his party and because the New Democratic party has some embarrassing cousins in the province of Quebec who apparently are separatists. Therefore, I understand why the members of this party are all at sea.

However, the public is not entirely stupid and if there is a party in the house asking for expenditures, it is the New Democratic party. Its members are always ready to ask for an increase of all the services but when it is time to pay for them, they are the first to complain.

Economics have no mystery. Every time the government spends money, it takes it out of the taxpayers' pockets. It is easy to say that this legislation is aimed only at individuals. It is true that there is an increase of 5 per cent on income tax but the President of the United States at the present time is trying to get a 10 per cent tax increase. The British labour party which shares the same ideology as the members of the Canadian New Democratic party was forced to impose economic measures even more drastic than those we experience in Canada. We must take comfort in the fact that this government was the first, among the governments of the western hemisphere, to tackle the problem of inflation in an attempt to find reasonable solutions.

It is true that this is not easy and that the taxpayers must participate. However, it must still be recognized—and I hope that my hon. friends will admit it—that we are going through the seventh consecutive year of expansion in Canada. Our country has never experienced an expansion period of that duration. But when we experience an expansion period such as ours, it is normal that, at a certain time, necessary means have to be taken in order to maintain the progress which ensures that expansion, and the action taken by the hon. Minister of Finance (Mr. Sharp) is that of a responsible man. We are not here to make presents to anyone; we are here to manage the taxpayers' money and it is imperative, in order to balance our budget, to call on the taxpayers.

My honourable friends said that we had left the corporations alone but the \$240 million which will be levied this year, that is for the fiscal year 1968-69, on the corporations come from taxes which they would not have had to pay if we had not moved forward by two months the tax payment period. It is true that, in doing so, we are perhaps correcting an existing deficiency. However, in past years, we have regularly shortened the period of tax payment for the corporations and I hope that, in the near future, we shall continue to follow that course of action.

I would have hoped that our hon. friends, instead of blaming us for taking such a concrete step, would at least have appreciated the fact that we took a step in the right direction.

Naturally, I am sorry that the taxpayers have to pay 5 per cent more in taxes. However, I think that the Canadian taxpayers are happy and appreciate the fact that the situation in Canada is better than in the United States, and still better than that of the taxpayers in England who are led by a socialist party.

In my opinion, Mr. Chairman, we must keep a certain perspective and, if we are responsible, we should be able to explain to the Canadian taxpayers that they must bear their part of the burden and that they should be happy to do so, because we have never known such a long period of prosperity in our country and it seems to me that the government must take the necessary steps to preserve that prosperity.

This bill is in line with this fiscal responsibility. We have been and we still are in an adjustment period. But instead of acting irresponsibly, we must face the difficult facts and