

The Budget—Mr. Latulippe

accumulating mortgages and debts in order to take advantage of the benefits offered by the government. The more modern industry becomes, the harder it is to create jobs, so then, we are far from the solution by pushing for the modernization of industry.

The cost of living rises fast and taxpayers are less and less prepared each time it goes up. Inflation is more pressing when the cost of living rises; 60 per cent of the salary increases were due to inflation in the last years.

• (5:50 p.m.)

So, such are the findings of a survey of weekly salaries in the Canadian manufacturing industry, and of price trends, as published by the Dominion Bureau of Statistics.

The housing crisis in Canada is becoming more serious. Canadians who want to become homeowners find themselves in a sort of straight jacket.

The evidence is there, Mr. Speaker. The 11 per cent sales tax on building materials is being maintained, and furthermore, the 9 to 10 per cent interest rates are being maintained on mortgage loans. Because of this, inflation is increased, and the money lenders such as the Central Mortgage and Housing Corporations are favoured, so that the people in the low income brackets will never be able to even dream of becoming the owners of a small parcel of land without paying for years and years a house which should cost from \$10,000 to \$12,000, while in fact it will cost from \$20,000 to \$25,000.

That type of financial cancer is nurtured by the State which allows some developments as long as private and public debts increase by as much. And the governments, federal, provincial and municipal, as well as school boards, perpetuate that swindle, levying their taxes in a criminal and abominable fashion, stripping the builders of this nation to satisfy the voracious appetite of a few financiers without conscience or scruples.

Indeed, the government has increased taxes, and the so-called social development tax, to the extent where it has plunged the economy into the darkest night and discouraged every initiative. We then witnessed a series of debt repudiations and an accumulation of bankruptcies.

It now seems that the central government recognizes the fact that economic unrest follows an odious and diabolical system of upsets. It claims that steps must be taken to get the economy moving again, that great efforts must be made to cure the economic ills from which we suffer.

The famous social development tax of 3 per cent is withdrawn, thus reducing government revenue by about \$130 million a year.

Basic exemptions are increased from \$1,000 to \$1,500 for single people and from \$2,000 to \$2,800 for married people, after having allowed the cost of living to increase by more than 33 per cent. Rises in the cost of living represent also increases in income for the government through the taxation system. Other abatements such as those granted for child care expenses and the withdrawal

of estate taxes are unimportant. Of course only one half of capital gains will be taxed but this will deprive taxpayers of more purchasing power than the 3 per cent surtax would have done. It is like trading a Ford for a Cadillac, without paying the difference. This might be easier on the taxpayers but will deprive them of even more advantages.

And this is called economic expansion, the just society. To accelerate this economic expansion, one cannot but expect a further \$800 million deficit, which will probably reach the \$1 billion mark. At this rate, those who are truly the builders of this nation, the Canadian taxpayers will go on being robbed and ransacked to pay our tribute to sacred finance.

The government fought against inflation from 1968 to 1971 and the unemployment rate deemed to be tolerable by the Economic Council of Canada, in the midst of an expanding economy, has increased by 3 per cent. That means that there are still 600,000 people without jobs in this country and 2,000,000 people on welfare because they are not entitled to unemployment benefits and have not had steady work.

Canada's economic recession is a direct result of the monetary and fiscal policies of the government. Meanwhile, financiers see their profits rising steeply, because of the high rates of interest on loans and on a large portion of the capital created out of nothing. In other words, the government is not looking for a balance; it is using the deficit itself to include certain fiscal advantages in the budget.

Even if the Liberal backbenchers have small cause for rejoicing and even if a deep faith is to be found on St. James and Bay Streets, I must say that this budget offers very little comfort to the average Canadian. In fact, it is obvious that the Minister of Finance was much more anxious to strengthen his party in the eyes of financial people than to present a tax reform which might help those who need a tax cut.

How is it possible to talk about an equitable tax system when workers are thus ill-treated while their income comes directly from their work? Why should they be less lucky than those who inherited a fortune or who drew dividend cheques? Are wage earners less important than the others? Must they be penalized because they work instead of being rich? A wage earner with an annual salary of \$12,000 will then have to pay \$3,250 in tax. By contrast, the other one who receives the same amount in dividends will pay only \$1,230 in tax. He will thus pay \$2,000 less than the working man. It seems to me that the just society is just only for people who get income from their investments, from all sorts of bonds. There are two taxation tables: one for the well-to-do and the other for the poor, who pay more than twice as much as the others.

It is neither fair nor honest to establish an over-all basis only for the income of ordinary workers while ignoring the benefits enjoyed by large corporations.

Mr. Speaker, for the past few years individuals in Canada paid more than \$6 billion in taxes, whereas large corporations paid only \$2.5 billion. This is the situation.

[Mr. Latulippe.]