

Income Tax Act

ty, whether we live in Montreal, Toronto, Halifax or Vancouver.

Mr. Speaker, what should be done to restore balance to the economy? We have to strike a balance between family and corporate incomes as between taxes and reserves, which is not presently the case. Today, reserves are piling up to the tune of billions of dollars and the organizations which accumulate such reserves are not taxed. No tax is levied on the billions of dollars of accumulated reserves and profits therefrom are also tax free.

A balance must be struck between needs, costs and prices; there is no balance between needs, costs and prices, between employers, workers and dependents; there is no balance between the various classes of society. Above all, there should be a balance between capital, labour and essential right. Here again, there is an imbalance and nobody is really interested in solving this problem.

Briefly, we are witnessing all the uneasiness and seeing in which areas we should act to solve the problems. We must in the first place solve the problem of production, consumption and capitalization.

Here are three things which the Minister of Finance should have taken into account: production, consumption and capitalization. Order and justice should prevail in those areas.

Thus, Mr. Speaker, the effects of the present system are obvious. We see that farms are being abandoned, family businesses are going bankrupt, small towns are dying, the unemployment rate is increasing and poverty is rampant in large cities.

Such are the obvious signs of the impending decline and the total ruin of a system. Yet, we praise the magnificence of its leaders, whose self-complacency is equalled only by their laissez-faire.

• (3:00 p.m.)

The system is collapsing and is dragging everything down to ultimate ruin. But, we refuse to see that. We refuse to heed any benevolent warning. It seems that governments, even those with the best intentions, are content with feverish activity, but always beside the real solutions and the real problems, which they refuse to see.

All leaders talk about increasing production. But we already produce too much, and products are much too expensive as compared with the purchasing power of the population, which live in want and insecurity because it is taxed and overtaxed by governments which at all levels always end up with deficits.

For forty years, since the 1929 crash, we have been seeking solutions to the economic lack of balance in the whole capitalist world. Ten years of recession, five years of war, 25 post-war years, nothing has yet succeeded in opening the eyes of the capitalist world. We have only increased our production, retrained the labour force, brought automation into the industries, and made larger benefits by paying lower wages, employing fewer wage earners, ruining small enterprises, destroying the buying power, upsetting the order established in business and services, in the labour force, in the economic, urban and rural life and in the life of all human beings unable to grasp the unattainable world of capital, shares and bonds.

Millions are certainly important in the whole economic life of a nation. But the nation is not made entirely of a few wealthy people, scientists and powerful capitalists, professionals and politicians at the head of the 22 million Canadians who make up the whole of Canada.

Why wait for the present crisis to worsen, for the coming world war which is inevitable in view of the constant skirmishes throughout the world beyond the boundaries of our beautiful country.

Let us gather our wits about us. Let us look around us. We are not alone; there are some 10,000 millionaires in Canada, some 10,000 presidents and directors of the 800 largest companies or millionaire institutions, with or without securities listed on the stock exchange. And even if we were alone, what could we do with our millions of dollars?

Just for one moment, let us imagine that the 7 million Canadian children under 16 have disappeared, that colleges and universities are empty, that our professors are no longer needed, that there are no more unemployed to train, that all the vicars, curates, businessmen and doctors have become unemployed and are seeking decent new jobs.

Inflation, foreign trade, exports and war are no longer sufficient means to satisfy the forbearing and shrewd people who know how to read between the lines. Let us wake up, recover, regain our consciousness and react as soon as possible because, Mr. Speaker, it is high time that we act in a humanitarian way. It is more than high time that we wake up to organize all together a sound economic system where the cost of living would be reduced—

Mr. Pepin: A real earthly paradise!

Mr. Latulippe: —and where we could compete with other countries.

We could also help Canadians by reducing prices. To reduce them, we must lower interest rates and to do so, we must make loans if we want to achieve full employment.

This can only be done, Mr. Speaker, with massive investment. The Industrial Development Bank is now lending money at 10, 11 and 12 per cent to develop trade. Is it by paying 10 or 12 per cent to the Industrial Bank and more especially the 11 per cent tax on building materials, as well as the 12 per cent excise tax, etc., that we can think of competing on other foreign markets and reducing the cost of living?

These are the areas where reforms should be made. So, I ask the minister, who is really doing his best in the present economic situation, to do all he can to solve present problems.

We should not be content with only routine work or bandaid treatments. We must apply them where they are needed, that is in the distribution. The real disease comes from exorbitant interest rates, from excessive cost of living. Those are the factors that must be restricted in order to restore balance to the economy, which in turn will work out as a corrective measure to solve the real problem.

In 1969, out of a production of 72 billion, it is noted that the consumption is only 44 billion, or 60 per cent, while individuals and corporations can capitalize surpluses of 28 billion, or 40 per cent of the production. However, in