

*Income Tax*

made that statement, the situation has changed. If the first six months of 1975 show as little real growth as the last nine months of 1974 showed, it will take a really large surge in the economy to provide 1 per cent or 2 per cent average real growth for this year. The income tax cut proposed would help to provide that boost.

The minister has the money with which to cover this income tax cut. He got it from income tax as well from the enormous sale of Canada savings bonds last fall. Actually, he has nearly \$5 billion in the bank, as compared with \$1 billion only four years ago. The minister may be concerned about over-stimulating the economy and thereby firing a fresh burst of inflation. But the universe is not unfolding as it should, for a stagnant economy and rising unemployment are unacceptable in a nation like Canada which is rich in natural resources.

In conclusion, I hope that my thoughts will be helpful to the government and to the minister when the time comes for us to vote on this important amendment.

[Translation]

**Mr. Eudore Allard (Rimouski):** Madam Speaker, everyone knows that the Minister of Finance (Mr. Turner) holds very great powers over all types and systems of taxation aimed at creating a better balance among all the taxpayers who must pay taxes to maintain society.

Why then, Madam Speaker, does our entire country have so many problems concerning inflation, unemployment and poverty, so that everyone is dissatisfied, some because they pay too many taxes, others because they do not have enough money to live adequately, let alone to pay their taxes.

Madam Speaker, if all the citizens are dissatisfied, why do our great banks and companies make so much profits compared with previous years? Some make twice as much profits, others three times as much.

I think that the Minister of Finance, who is not listening to me but talking with someone else, could dip into those pockets to get the funds required to better administer the budget of the government, which is forced to finance itself repeatedly with increasingly important and cumbersome annual deficits.

We always wonder, Madam Speaker, why companies make so much profits and pay so little taxes compared with individuals because of the privileges granted to companies.

I believe that a part of the answer is given at page 113 of volume I of the Carter report on the taxation enquiry which was carried out from 1962 to 1966 and which brought about the so-called taxation reform of these last few years, which has given nothing useful since the proportion between consumption and capitalization of each fiscal year has remained the same.

This page is a continuous blame of the chairman himself of the Royal Commission on taxation, the late Mr. Carter, who used his authority as chairman of the commission to underline his absolute refusal to agree with the opinion of the Institute of Chartered Accountants on the way the companies calculate their profits for income tax purposes, and especially on the provisions concerning capital cost allowances.

Madam Speaker, that page we owe the chairman should be meditated by the Minister of Finance as well as by all chairmen of banks, companies, government institutions, universities and their accountants and graduate administrators.

It is probably behind that well known or ill-known accounting procedure that all those profits hide which escape taxes and ensure the success of big companies, under the guise of exaggerated amortization, internal reserves, which are not unacknowledged, unacknowledged and not taxed.

Madam Speaker, in spite of all the advice given by the Royal Commission on Taxation, by the chairman himself whose opinion differed from that of the commission, how is it that no one has called attention to that personal and conflicting statement of the chairman of the Royal Commission on Taxation?

Madam Speaker, can the Minister of Finance tell us that has not been done since 1966? Is it not high time to see to it now? He probably did not hear me because he does not listen to what I have to say. Is the minister not interested?

**An hon. Member:** He will read it tomorrow.

**Mr. Allard:** Most probably.

In that 2,600 page report of a royal enquiry which took 4 years to complete, how come there is no mention of any way of wresting inflation to the ground, of shedding more light on our government financing methods, and on the situation of our population, whereby some are progressing so much and others have ever more reasons to complain? Will we have to go over it all again? It will be time instead to implement new methods that would help us restore and maintain the economic balance between people, families and companies, corporations or societies of every kind, private or public, national or multinational.

Is not everyone ready to co-operate in the House of Commons? Do we have to go on for ever kowtowing to taxpayers and telling them over and over again that nothing can be done, that the Minister of Finance cannot help it, that nobody can do anything except endure and let things alone? I for one am still willing to hope and help as well as I can, but shall I be listened to and heard? That is the question.

Madam Speaker, I submit that, if we really want to wrestle inflation to the ground, we should allow the Bank of Canada to issue money and provide for credit. Canada should regain control over its money and its credit instead of borrowing from banks.

This would simply require that we pass adequate legislation. The Bank of Canada would then fund public works instead of forcing people to borrow from banks, and provincial branches of the Bank of Canada would also be in a position to finance public works for provinces, municipalities and school boards. This would have the effect of stopping the present system whereby everybody is in the hands of money-makers and destroyers.