

Guaranteed Income

lower than the present world price. Besides, the government took other budgetary and economic measures, such as amendments to the Income Tax Act. The government took many other steps against inflation and I was surprised to hear the hon. member for Champlain contend that we had not done anything to fight inflation.

May I remind that among other measures, the government indexed personal income tax on the cost of living. As will be recalled, the government enacted legislation under which the income tax deductions of individuals will increase according to the rise in the cost of living index. Such a measure will result in annual tax reduction to the extent of price increases. The net result is, for this year alone, that 175,000 Canadian taxpayers will have no income tax to pay while all the others will pay less.

Still on the subject of income tax, the government announced that it will reduce the basic rate of taxation between 10 and 21 per cent, according to the taxpayer's income. For instance, a single taxpayer whose income bracket is between \$5,000 and \$8,000, will have a tax reduction of between 10 to 20 per cent. Therefore, every Canadian taxpayer will save at least \$100 for the 1973 fiscal year. A couple whose annual income bracket is between \$7,000 and \$10,000 will see its income tax reduced between 11 and 21 per cent.

These measures have even been suggested to us by some members from other parties. That is why it is surprising to see that when the government adopts measures such as those I just mentioned, we are charged with doing nothing to stop the price increases.

But we have done even more, we have eliminated the sales tax on certain consumer products to counter the effects of inflation. Amongst those products are soft drinks, sweets, fruit juices, which are totally free from federal sales tax. Children's clothes are no more subjected to any tax, there will not be any excise tax on tooth paste, shaving lather and other cosmetics. Custom tariffs have been reduced for numerous kinds of imported fruit, a measure that should bring a reduction of consumer prices for these food stuffs which are not normally produced in Canada.

To fight inflation, we have taken many other measures that are certainly more efficient than the establishment of a guaranteed minimum income. For example, the Canada Pension Plan has been changed in order to increase the maximum annual pensionable earnings and the benefits to meet the rise in the cost of living.

As you know, there has been a substantial increase in family allowances, in order to compensate the beneficiaries for the rise in the cost of living.

Changes have also been brought, for the same reason, to the veterans allowances, to the old age security pension plan and to the guaranteed income supplement.

Therefore, Mr. Speaker, I think I have definitely proven, as I mentioned in the beginning of my speech, that this year's government programs are particularly aimed at fighting inflation. I believe I have proved as well that the government will live up to the promises it made in the Speech from the Throne.

The best way of knowing what the government will do with regard to this problem is to consider what it did in

[Mr. Guilbault.]

the past. The measures I have just mentioned and which were implemented by the government in 1973 to fight inflation are the best guarantee Canadian citizens could possibly have of the efficiency with which we will tackle this inflation in the year to come.

Mr. Speaker, I completely reject the claims of the hon. member for Champlain (Mr. Matte) when he says we do not fight inflation. On the contrary, I say that of all the governments of industrialized countries, the Canadian government is the one that has set up the most complete the most diversified, arsenal, that has taken the wisest decisions in the fight against increasing prices, problem which concerns the government and which is doubtless one of the most severe Canadians have to face at this time. I would like to add that the measures promised by the government in the Speech from the Throne will be implemented, that others will be brought forward, and that Canadians can rest assured that even if prices rise, which is happening in every country in the world, the Canadian government intends to solve this problem which is considered to be the most important one facing our country.

● (1740)

[English]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I was interested in the two ideas which were put together in the motion of the hon. member for Champlain (Mr. Matte), and particularly in his explanation of the first portion which is related to the guaranteed minimum annual income. For many years I have listened to members of the Social Credit Party discussing their idea of a dividend. I have heard their leader explaining this matter many times on television, but I have never heard anybody come as close to Karl Marx's theory as did the hon. member for Champlain this afternoon when he said "each to his need according to his ability".

Then the hon. member added something that I found very interesting, something that in fact the Liberal government has been doing for a long time. He went on to say that we would mortgage the future if we issued money; and never mind what happens, all of this would eventually be related to our ability to increase the gross national product. Is that not exactly what the Liberal government has been doing for years? Whenever they need more money, they print it and put it down to the national debt. In fact, when we had too much money kicking around it was taken out of our debt. So the bookkeeping has been carried out pretty well in the way in which the hon. member for Champlain outlined it. However, I am not sure I am sufficiently socialistic to accept the full Karl Marx theory "to each his need according to his ability". I have always felt that was a little too generous and too cosmopolitan.

Mr. Caouette (Charlevoix): You should read the speech.

Mr. Peters: I agree with the hon. member who said I should read the speech, because it may not read that way; but that was the impression I had as I listened to it. I listened to it very carefully because I have been interested in this idea of a guaranteed minimum income. I think we have reached the stage in this country at which we have almost as many civil servants as we have workers. Prob-