

Income Tax Act

[*Translation*]

Mr. Caouette: That is true, Mr. Chairman. Clause 109 has not yet been carried and we are thus able to proceed with what we have to say.

I was stating a few moments ago that my colleague, the hon. member for Bellechasse (Mr. Lambert), asked that deductions up to \$3,000 for a single person and \$5,000 for a married person be allowed, whilst the government's proposals are for \$1,500 and \$2,850 respectively, because it does not recognize—and at this stage I call upon the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney)—that to attain a minimum of social or economic standing, you need at least \$3,000. Why is it that the government proposes a legislation which penalizes single persons by limiting their non taxable income to \$1,500 and that of married people at \$2,850? Why?

The government is contradicting itself. But the vital point on which the government is basing its policy is to create a decent standard of living in Canada. We are then seeking out all kinds of solutions and proposals in order to establish what is termed in English a welfare society, a society in which people expect to live on government resources. And this applies equally to the Minister of Labour (Mr. Mackasey) who is chatting with his neighbour and is totally oblivious to what we are saying.

Mr. Chairman, he did not even understand. He keeps on talking. This does not change anything. If the Minister of Labour was listening perhaps he could understand, but he is not listening and he will not understand, his earphone is not working.

An hon. Member: He is listening!

Mr. Caouette: If the minister would send his chum back to his seat, he would have more time to listen because those people will not settle the Lapalme workers case tomorrow morning by discussing as they are doing.

Mr. Chairman, the government is seeking to establish a society where both bachelors and married men would feel at home. Under this bill, nothing will enable Canadians to enjoy better living standards.

Let me explain, Mr. Chairman. Everyone, and the Prime minister first with his cabinet, is talking about social welfare and a just society. The 1968 election has been won by the Liberals with their slogan "The Just Society" which all the Canadians—I see an hon. member applauding across the way—think will exist someday.

After three years of liberal administration, we find that the number of unemployed people has increased. Everybody is convinced of that. The Minister of Regional Economic Expansion (Mr. Marchand) stated last night in Montreal: "We have more unemployment than ever and we will still have more in November." This is a statement the Minister of Regional Economic Expansion made in Montreal last night to the members of the Board of Trade. So we will have more unemployed in November. He did not mention December, January or February when we have perhaps one million, one million and a quarter or one million and a half unemployed.

So this is the just society! And in its attempt to better things, the government is offering us solutions that will help out American companies. As a matter of fact, it will distribute \$80 million as incentives to Canadian industries

to allow them to export to the United States because our neighbours below the border have imposed a 10 per cent surcharge. This program will not create a single job but will simply allow some of our industrialists to export their goods to the United States.

Mr. Chairman, this program will not create a single job; it will not help us to set up the just society that we want in Canada, nor will it—

[*English*]

The Chairman: Order, please. If I understand the position of the committee, the hon. member who has the floor may direct his remarks to sections 109 and 110. It seems that he is now engaging in a debate which may have been in order on second reading or during our initial round of discussion in committee of the whole. I have some doubt whether the hon. member has the right to roam as far as he has roamed, and with respect I would ask him to confine his remarks to those two sections which deal generally with the compilation of taxable income, deductions, exemptions, and so on. I invite the hon. member to assist the committee in this regard.

• (8:50 p.m.)

[*Translation*]

Mr. Caouette: Mr. Chairman, I thank you for your suggestion that I stay within the ambit of sections 109 and 110. But this afternoon, I had the opportunity of listening to the speeches of members of all parties and the Chairman never called anyone to order and told him that he was not dealing with the tax exemptions mentioned in sections 109 and 110. This evening, I am called to order and I am asked to deal strictly with the government proposals.

Mr. Chairman, this afternoon, social security and all kinds of things were discussed, but this evening I would not be permitted to express my views on those tax exemptions which, after all, are the basis for an economic reform which would allow Canadians to be better off than they are now.

Mr. Chairman, I say this: at the present time in Canada, with the government proposals about the direct taxation system, we are taking from some to give to others. Such is the program included in clauses 109 and 110. We say that we are wasting our time and that we are not farther ahead today than we were five or ten years ago because this is a social welfare system based on income tax exemptions which is offered to the Canadian people. All that social welfare encourages fraud, laziness, scheming and stealing. Everyone runs for help from social welfare. Some refuse to work for fear of losing their welfare benefits.

Mr. Chairman, reducing the income tax is ridiculous finally because many people do not earn enough to pay income tax, and single people who earn \$3,000 or \$5,000 a year will have to pay some. The government is not consistent. This is where we, the Cr ditistes, make a concrete suggestion, which rubber-necks still laugh at whether they are liberals or progressive conservatives. They laugh! There is but one solution: guaranteeing Canadians social security, regardless of the income tax system, to achieve a balance between consumption and production. What did we suggest? Instead of lowering income tax which the government now suggests, that all persons 18 and over be