exemption level has been in effect for quite some time. The erosion of the dollar has had its effect; and if $300 was enough five or ten years ago, it certainly is not enough today. I, therefore, ask the government, before it finally asks this House to approve the bill, to give serious consideration to these two matters, the matter of increasing basic exemptions for married and single people whose incomes are in the low brackets and the matter of increasing exemptions for dependent children. Additional consideration ought to be given to people who are trying to raise families, and the government ought to increase dependent children exemption levels to levels which are more in line with the actual cost of educating, feeding and clothing a child today.

• (3:10 p.m.)

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, when I spoke at the second reading stage, of this bill, I said that I intended to further my analysis of the bill as far as the taxpayers, the corporations and the proposed measures are concerned.

Yesterday morning, on my way to Ottawa from Montmagny, I was listening on the radio to a program during which people are invited to express their views on various matters. Yesterday's topic was: What do you think about the income tax reduction proposed last week by the government when a public works program was announced in order to reduce unemployment in Canada? Most listeners who answered the question seemed totally or partially unaware of the exact nature of the problem.

This leads me to say that unfortunately not enough information is given to the population. They may sometimes discuss problems and bills in which they are directly interested but the impact of which they cannot grasp completely. Now, to my mind, it is increasingly urgent that our taxes be levied in such a way as to relieve the individual and the family and allow the worker to benefit from reductions now denied him but allowed corporations.

The problem is extremely serious and is now being studied by the workers, through their professional organizations; that is why I am drawing it to the attention of the government.

I should also like to prove, with the help of a table published when the Minister of Finance (Mr. Benson) brought down his 1971-72 budget, that progressively individuals are contributing more and more, through income tax, to government expenditures, while corporations are correspondingly paying less. In short, the evil has just been displaced.

Government revenues at the federal, provincial and municipal levels during the financial year 1960-61 amounted to some $9,700 million and in 1970-71 to $28,500 million. The taxpayers' share for the payment of the above-mentioned government expenditures was $2 billion in 1960-61 and $9 billion in 1970-71 with respective percentages of 20.6 per cent and 31.5 per cent. Consequently, in 10 years, the total share of government revenues from personal income tax has increased by almost 11 per cent.

Another provision of Bill C-259 authorizes taxpayers to deduct from their income amounts received from their employers as travelling expenses. Now, all hon. members are not aware of the problems which sometimes occur and it is advisable to remind the minister that some abuses are committed in that field at the workers' expense.

What will happen when employers, as is the case now, alas, give for an employee an address other than his real one, so as to officially put him closer to his work and thus deprive him of the compensation under the terms of the law, be it provincial or federal, so that it is the employer who will cash in the compensation instead of the employee. Consequently, I suggest that a closer supervision be exercised in this area, so that abuses may be reported.

Mr. Chairman, other elements of personal income have or will become taxable under this legislation, such as benefits from income maintenance insurance plans to which the employer has contributed and adult training allowances. At the present time, under existing regulations, a person who is being retrained and who receives a weekly allowance does not have to mention it in his income tax return; under the new act he will have to do so, even if this allowance is sometimes the only income he has to provide for his family. That will therefore worsen his financial situation instead of improving it.

That provision applies also to allowances received under the Textile and Clothing Board Act. In fact, that paragraph is especially hard on workers who are liable to become unemployed, especially in Montmagny or in other Canadian localities where the textile industry is gradually reducing the number of its employees. Now, it happens that a board provided compensation which becomes taxable under the new legislation, just like unemployment insurance benefits, scholarships over the $500 deducible for income tax purposes.

The tax cut announced by the Minister of Finance last week is 3 per cent on personal income. This is definitely insufficient, I think, even if the minister said that it will take 750,000 Canadians off the tax rolls effective July 1, 1971. Now, when this figure was mentioned in the House, an hon. member from the government side said loudly: Well, there is a million people who will be exempted.

In my opinion, the government should not be happy that 750,000 Canadians are too poor to pay income tax. It means that too many single Canadians earn less than $1,500 and too many married ones less than $2,850. Is it conceivable that those two categories of people can live on as little as $1,500 and $2,850?

We are told we are going too far when we suggest to raise basic exemptions to $3,000 for single people and $5,000 for married people. But let us seriously consider the matter. Could we, members of Parliament, live in our circle or the one to which we confine those people, with $1,500 or $2,850 a year? Those amounts are clearly not enough and, in a few moments, I shall indicate how we could close the gap in order to allow the government to assume its responsibilities in all areas, with the required funds available to it.