

Income Tax Act

So everybody applaud, discuss and finally the measure goes through. Why was a new department created? To provide better service to the people, to do this or that.

Has the department been created to serve the government or the population? We have to ask ourselves. If hon. members opposite recognize the merits of this reasoning in the case of an institution, whichever it is, they must also admit it in the case of the financial institution. The Bank of Canada is indeed an institution that is neither American nor European, but decidedly Canadian. What are we waiting for before we use it?

If for lack of revenue the government is unable to boost the basic exemptions from \$1,500 to \$3,000 for single people, and from \$2,850 to \$5,000 for married couples, the Minister of Finance should use the Bank of Canada to at least assist those people and provide them with the vital minimum. Of course the minister should stop laughing and get moving.

There is a damn limit!

If the government is unable to grant a larger basic exemption, let us say for what reasons. Naturally, the minister will answer that governmental administration is ever more costly, that our only sources of revenue are the taxes levied from the taxpayers and that each taxpayer, through some sense of national solidarity, must contribute to the fiscal revenue. If the federal government claims that there lies its only source of revenue besides funds borrowed from foreign countries, this means that it is not ready to admit it.

And if the government acknowledges the problem of poverty—

The Deputy Chairman: Order. I regret to interrupt the hon. member, but I suggest that his time has expired.

Mr. Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Finance (Mr. Benson) in order to clarify a situation which is special to those who are dedicated to the administration of such public bodies as school boards and rural municipal councils.

The Minister of Finance has no doubt, as we have, received many representations in this connection, requesting that the new tax legislation take into account compensations granted to school commissioners and municipal councillors and also to mayors of rural municipalities.

Certainly, Mr. Chairman, in the case of all those people constantly dedicated to the service of their fellow-citizens it was quite normal that at some time the government should edict certain compensations to offset expenses incurred in order to attend meetings, and also the time they daily give to public service.

I can speak of this situation at first hand, Mr. Chairman as I was a school commissioner myself over a long period and have co-operated for many years with mayors and municipal councillors.

Every time they had to take a trip, the same remarks were heard: it is unfortunate that there is no law providing some small compensation for our expenses. So, the Quebec legislature passed such an act. I imagine that it is the same in the other provinces—I especially want to draw the attention of the House to what is going on in Quebec—and that some compensation has been authorized. I note,

in the information given with regard to this bill, that a certain amount has been provided for this purpose. It may be that I do not understand the provision correctly, but the way I read it that amount is equal to about one third of their pay. So, if a mayor receives \$300 annually, he would be allowed to deduct only \$100. I want to assure the House that in rural municipalities the mayor spends \$300 and more in the service of his fellow-citizens.

So, I wish we would go to the heart of the matter. That's what we are here for. We must be fair to those people and not discourage them. Even if legislation is presently under consideration in my province to abolish the positions of a great many school commissioners, I want to see the facts as they are, and deal with the present situation.

I consider that man has not been created for the state, but rather that the state must be at the service of man. This is what a great English prime minister, Sir Anthony Eden, said 30 or 40 years ago. This is still true; this proves that we, as parliamentarians, should understand clearly the scope of this thought: Man was not made for the state, but the state for man.

Under the circumstances, I would like the Minister of Finance to assure us that the bill will protect the group of persons I referred to at the beginning. A third, in my opinion, is not enough. I would therefore suggest to the Minister of Finances to amend his bill accordingly, so that in all rural municipalities—I am not referring to cities—at the school or municipal levels—the entire remuneration paid to school commissioners as well as to aldermen and mayors of rural municipalities be deductible for income tax purposes.

• (4:30 p.m.)

[English]

Mr. Benson: Mr. Chairman, the matter raised by the hon. member is covered in another section which is not presently under discussion. It is section 81(3), where he will find that the allowance which previously was given to elected municipal officials has been extended to include persons on school boards and so on. The expense allowance which was deductible for some elected persons and not for others has been extended in particular to cover school trustees.

The Deputy Chairman: Shall section 109 as amended carry?

Mr. Lambert (Bellechasse): On division.

Clause 1, section 109, as amended, agreed to.

The Deputy Chairman: The Chair will now put the amendment moved by the Minister of Finance, namely, striking out lines 3 to 9 on page 283 and substituting the following—

Mr. Knowles (Winnipeg North Centre): This is to section 110.

The Deputy Chairman: Yes.

(vi) for the care, or the care and training of the taxpayer, his spouse or any such dependant in a school, institution or other place that is specially equipped to provide care and training to persons who are physically or mentally handicapped and that admits for care, or for care and training, only persons who are so handicapped,