

*Income Tax Act*

unable to satisfy his minimum requirements. Thence the main duty of the authorities of this country, at every level, is to set up the required programs to enable these persons to participate in the economic life of the country, to get their rightful share of the national production, that is to be able to play their role as consumers in a worthy and satisfactory manner.

• (4:00 p.m.)

And that, Mr. Chairman, can only be done through a tax exemption. But we must go further and ensure social security to all Canadians. And, one must admit that present programs, both federal and provincial, are not only insufficient but also often provocative and humiliating at all times. In fact, the administration of such programs is by itself extremely costly. The largest part of the funds available for social security are systematically eaten up by administrative costs, the payment of the staff whose output, in general and very often, is not equal to 20 per cent of what it could be. The thousands of investigators who travel through our ridings to find the one case where assistance could be refused must be paid.

That is where we stand with these many investigations, all equally ridiculous and embarrassing for their victims. Help cannot be given without an investigation which often looks like provocation, blackmail or intimidation.

A government official—I did not talk like that before becoming a member of Parliament, as I was not sure of it, but I can say it now—is a man who protects his job and future; he does not serve the public. The pencil is a fine tool not to be manipulated with the feet.

Anyhow, there are still good officials and I readily admit it but they are drowned in the diversity and complexity of programs, in the number of cases submitted and in their wish to get promotions. The frightening number of officials costs a mint of money. It goes without saying that government expenditures in that area—and everybody will agree with me—will go on increasing but the problem will never be really solved.

Let us consider for one moment the fact that on each tax dollar paid by a Canadian taxpayer, more than 25 per cent—or 25 cents—is spent to finance the health and social welfare programs. That item is the largest of the budget and it will continue to increase because Canadians have always less income to enable them to contribute to the tax system by paying personal income tax. Has social welfare become Canada's main industry?

When we are told that a new tax table will help lower the level of poverty in Canada, it is all completely false, it is misleading our citizens, because if the government agrees to deprive itself of one source of income by granting exemptions to a number of Canadians, it is because it cannot do otherwise. As a matter of fact, these people having almost no income are no longer able to pay tax. The government is not doing them any favour by granting them an exemption; it only recognizes their poverty.

This brings me to the second point of my remarks. Those who pay and will continue to pay the greater share of income tax under this tax reform will be, as the Minister of Finance said himself, those in the middle class, that is those whose income is between \$7,500 and \$12,000 a year. They are the ones who will suffer most from this tax reform. Those people will pay for those who are exempted and they will not get more services from governments in

[Mr. Fortin.]

return. By increasing their tax burden, the government will continue to discourage their personal initiative, their interest in earning more, in progressing and, in the end, they will become the next group of poor. Tomorrow, we shall be asked as members of Parliament to examine government measures to assist them. In fact, government programs now in effect apply to only two groups. They are first designed for rich people whose progress we are furthering through innumerable grants to business for investment or employment purposes, and vote-getting, if possible. On the other hand, government assistance goes to the very poor that we keep on making poorer since government programs do not suffice even to guarantee them a minimum, the major part of funds being swallowed up by administration costs.

Thus big businesses depend on social economic assistance and the poorest are on plain social assistance. Which ever it is the one in between pays. The intermediary class falls between two chairs. The corner shopkeeper, the small employer, the workman, the farmer, those who move heaven and earth to make a living, bring up their families as decently as possible and remain the least bit independent pay for the rich, the haves and also for the have-nots, those who have nothing, who are in poverty. And it is precisely that class which, according to the new tax tables will be most heavily taxed on income.

Just what does the government want? That is the great question.

The debate on fiscal reform raises again the question of the government's general administration and its guiding principles. The following conclusions should therefore not come as a surprise: First of all, poverty continues to increase in Canada at a staggering rate. Secondly, increasingly more Canadians are directly dependent on public handouts to make a pretense of living. Thirdly, increasingly fewer Canadians are producing. One needs only to look at the number of unemployed, non-producers and therefore earning no income to realize it. Fourthly, fewer and fewer Canadians are able to adequately enjoy consumer goods, that is to say that their basic needs are never met because of insufficient resources. Fifthly, the various programs aimed at creating jobs and bringing social relief are finally no more than poultices on a wooden leg and one must be blind to ignore that.

By the way, even this government realizes that, because it announced last week that more than a billion dollar would be put not into circulation but at the disposal of Canadian industries in order to create jobs and to fight poverty. This shows how this government failed to solve that problem. Therefore we only can find the solution in a thorough monetary reform essentially aimed at the individuals in order to give them financial security, whoever they may be, without affecting their personal freedom.

To do that, we must base such thorough monetary reform on the fact that every Canadian has to fulfil his role as a fullfledged consumer when he is excluded from the process of production without being responsible for it. Only in this way shall we succeed in solving the basic problem—which can be expressed in the following paradox: how can poverty be so great in such a rich country?