Does the hon. member permit a question?

Mr. Rondeau: Certainly, Mr. Chairman, as long as it will not affect the time allotted to me.

Mr. Cantin: The hon. member has quoted the views of an economist which apparently have been published in Canadian newspapers in May 1971 and in American newspapers in 1963. I would have preferred him to quote editorials published after the introduction of Bill C-259, that is after June 18, 1971, because that would be more enlightening for us. Indeed what has been said before that date may be quite different from what has been said afterwards.

Mr. Rondeau: Mr. Chairman, if I wanted to answer that question, I would have to ask the hon. member several others because his question is so impenetrable that it is difficult to understand it.

Mr. Chairman, it seems to me that the data quoted in 1963 are quite the same as those that the economists have been quoting every day since the budget speech.

In fact, if we are to have a balanced budget, if we want our economy to remain alive, we need to have prosperity in Canada. Any intelligent man, any logical economist, favours prosperity in order to boost the economy and to allow the federal government to have a balanced budget—a great cause of worry for hon. members on the other side when we ask for tax reductions. This is precisely what the speaker before me did when he asked for a basic exemption of $3,000 for single people, and $5,000 for married couples. They think that the federal government would lose considerable revenues by granting such exemptions.

Considering we have thousands of unemployed in Canada and the economy is not progressing, the national treasury is losing very substantial revenues anyway.

Mr. Chairman, as the previous speaker said, today single Canadians will have to pay federal taxes the moment they earn a salary equivalent to $30 a week. For married people, the amount will be $57 a week. I am convinced those figures are totally illogical and unrealistic.

• (9:10 p.m.)

This is why we ask that the basic exemption be set at $3,000 for any single person and $5,000 for married persons.

Mr. Chairman, if we want to get our economy moving again, we must put an end to the inefficient administration of the country: we should avoid travelling the same financial and economic paths that have been trodden for more than 100 years in Canada. If we do not change our attitude in regard to the financial measures and the financial doctrine which the government, through the Minister of Finance (Mr. Benson), seems to apply and according to which those who are well off should be gradually dispossessed, we will end up with a society of dispossessed people.

If we want to eradicate unemployment, we should create prosperity. We must provide incentives to those who wish to invest in Canada. The only reason for investing is capital gain. With the current budget or the tax reform of the Minister of Finance, we are about to eliminate private initiative in Canada, and this is no way to improve our competitiveness since one of our present problems is being unable to sell our production on world markets. Our production has become too costly, taxes are too high and when the private sector adds up its production costs retail prices are too high. We cannot compete with foreign countries.

[The Deputy Chairman.]

If we want to keep our present share of both domestic and foreign markets, it is an absolute necessity for us to leave the beaten track of present orthodox finance so as to enable the Canadian economy to expand, to produce what we can produce, as we have the needed skill, manpower, equipment, raw materials and natural resources. This country is extraordinarily rich but our economic system is outdated. The taxation system no longer meets the needs of private enterprise.

Should we wish to establish an economic system by means of which the government would own everything, should we wish to establish a socialist system, we need only to keep on smothering those who would like to see this country become great and prosperous.

I am always dismayed to see our hon. friends opposite ready to tax further private enterprise in Canada, to tax further the small wage earner, the worker by limiting the basic exemption to $30 a week for single persons and to $57 a week for married people.

Not more than six months ago, we had the opportunity in this House to vote on salary increases for members of Parliament. We did not bother then to determine whether or not those increases would create a deficit in the budget of the hon. Minister of Finance, nor where the Minister of Finance would find the money. There was no discussion, apart from the opposition coming from this corner of the House.

It seems to me that when we speak on behalf of the population as a whole, of the majority of workers who have to work hard to feed their families, it is absurd in 1971 to talk about a basic exemption of $1,500 for single persons and $2,850 for married couples.

Mr. Chairman, I therefore support what my hon. colleagues submitted by way of amendments, and I hope that the government—not before the next elections but very soon—will reconsider these facts and listen to economists who do not always advocate tax increases but increased prosperity for Canada, which might perhaps mean the same revenues for the federal Treasury.

[*English*]

Mrs. MacInnis: Mr. Chairman, this government reminds me of the farmer who had a horse. He had an idea one day that he could save money by taking away a handful of hay from the manger and that this would not make any difference to the horse. He decided the following day that if he took away two handfuls he would save more money in feeding the horse. He did this day after day, taking away one more handful each day. He was getting on very well. He was saving a nice pile of money. Unfortunately, the horse died.

An hon. Member: Shame!

Mrs. MacInnis: This farmer was so busy looking at the savings he could make in scraping off a little bit of hay