

*The Budget—Mr. Caouette*

"and its failure to assist these people by granting relief from income tax to all single persons with incomes below \$2,000 a year and all married persons with incomes below \$4,000 a year".

[Translation]

**Mr. Réal Caouette (Témiscamingue):** Mr. Speaker, I greatly deplore the fact that the Minister of Finance is the only one occupying his seat and that very few Liberal members are present, when we are debating a budget that we did not expect a few months back and that was presented to us on June 3 last.

We are now considering a sub-amendment to the amendment to the main motion, stating that the government should exempt from income tax all single persons whose annual income is less than \$2,000 and all married persons whose yearly income is less than \$4,000.

We shall certainly support this motion which aims to help the low-income people. As a matter of fact, the Ralliement créditiste has for many years been suggesting that the annual income of single people that is less than \$3,000 and that of married people that is less than \$5,000 should not be taxed.

Besides, members of parliament enjoy these exemptions on the portion of their income that goes for expenditures, and no one seems to complain about it. Even the ministers are entitled to an expense account which is tax free.

● (4:20 p.m.)

We are going to support the amendment moved by the hon. member for Edmonton West (Mr. Lambert) which reads as follows:

—regrets the continuing inability of the government to curb the relentless increase in the cost of living since 1965, while increasing the hardship on the unemployed, the poor, the pensioners, the farmers, and other victims of the "just society".

These are good grounds. This is a logical and true argument. However, when the Conservatives were in power, what did they do to rectify a similar situation? And today what is suggested to fight efficiently against the cost of living increase?

The minister does not know what to do because generally speaking, his budget speech the other night, was nothing but a poultice on a wooden leg.

I saw the government members applaud when the minister said: We will continue to levy the 3 per cent surtax until the end of 1970. They applauded the minister because he will keep a tax the small wage-earners can no longer pay.

[Mr. Saltzman.]

But the government has no solution, and they tell us about the problem saying: We are faced with inflation. But we have been hearing the minister say that for 10, 15, 20 years now. There is no magic solution. We are not economists; yet week after week, month after month, session after session, we hear the same idle stories and the Minister of Finance tells us he is powerless in that area.

Mr. Speaker, what does the budget boil down to? First of all, to an increase in the interest charges on the debt, which means that we will pay more interest on the debt than we have ever paid; the figures are there to prove it. If you look under the heading of all government expenditures, you will see that the interest charges amounted to \$817 million in 1961, \$1,147 million in 1964-65 and \$2,102 million in 1968-69, and a fairly high increase is predicted for 1969-70.

Where federal government expenditures alone are concerned, interest charges on the debt in 1968-69 cost \$1,479 million and of course, this year, the Minister of Finance will have to redeem government bonds that were put on the market and bought by the Bank of Canada.

Then the government went to the chartered banks for loans because they can, according to the law passed here by parliament, multiply government bonds by 14. And the government, the Minister of Finance, like a good little boy, on his knees, flat on his face before the system, borrows at higher interest rates to pay bonds sold perhaps 5, 10, or 15 years ago.

That will add to the interest charges on the debt this year. Besides, the minister says so in his budget: We will pay more on the national debt.

The minister has not opposed this increase in the interest, but the government, the Canadian people will have to pay for it, in the long run and they cannot afford it.

The minister has no answer to provide. He says: we do not perform miracles. As if miracles were needed to tidy up Canada's finances. As if miracles were needed to make wealth available to the Canadians. No indeed, it is scarcity we are making available to the Canadians and nothing else.

Mr. Speaker, according to the budget, interest charges on the debt will go up.

Then, the minister tells us there will be no further taxes. As for the 3 per cent temporary surtax, which was to end in December 1969,