

*Income Tax Act*

We maintain that the basic exemptions provided, offered or suggested by the government are inadequate to allow thousands, perhaps even millions of Canadians to rise above the threshold of poverty, to have a decent or a minimum standard of living.

We maintain that the proposed exemptions are not only inadequate to allow those persons to be more independent from the public sector, but that they will contribute to increase the poverty of these people, their dependency on public assistance and, consequently, the tax burden because the government will have to tax people more in order to make these social welfare payments.

This is why we insist and repeatedly urge the government to increase the basic exemptions to \$3,000 for a single person and \$5,000 for married couples.

One must know how to be practical. A \$3,000 basic exemption for a single person means that if that person has an income of \$3,000 or less, he will have no income tax to pay.

I know one person in Victoriaville, which is my municipality, who has very skilled hands and makes all kinds of small objects he sells at moderate prices to people of the city. His profit ranges from \$2,000 to \$2,500 a year. This same man helps here and there, doing housekeeping chores to the extent his health allows and earns \$500, \$600 or even at times \$1,000 more during the good years, although much less at times. He is single, 45 years old and crippled. He asked for welfare but was told this: If you did not earn anything, if you stayed home, both feet up on a hassock, if you did not try to manage on your own, if you did not have more than \$200 in the bank, if you took it easy, we could help you. But because you try to earn a living, to manage on your own and to improve your lot, we cannot help you. So, the man has no choice. He does not want to stay idle. He has no choice; he must earn his living. Consequently, he works despite his incapacity, runs about, wears himself out working in order to obtain a maximum income as ridiculous as \$3,000 per year.

• (4:10 p.m.)

Through this tax revision, the purpose of which is to create the just society, the government is saying: We shall grant him a \$1,500 exemption and he will pay income tax on the difference. This same individual, Mr. Chairman, cannot be helped through government programs because he is helping himself and, for that very reason the federal government will make him pay income tax on \$1,500. Such is the just society that section 109 will establish. If this person remained idle, if he did not help himself, did not try to improve his lot and to find some income by racking his brains in order to meet his essential needs, he would not earn \$1,500, therefore he would be exempt from taxes and the government would say: How generous we are! But of course, since that man does not earn more than \$1,500 a year. However, the wheeling and dealing social welfare officials could say: We can help you, provided you first spend your \$200 bank savings. When you are broke and without a place to live, come and see us and we shall perhaps help you.

Such is the situation for this Canadian. That is what we are protesting against. That is why, Mr. Chairman, we will fight to the bitter end. It is illogical in 1971 for the federal government not to admit that the minimum income a

single person needs, not to make ends meet but to get three poor meals a day, must be at least \$3,000 a year. What is most expensive for this individual, my friend from Victoriaville whose sad story I told you? Clothing, food and housing. Housing and food costs continue to climb. It is rather strange since the farmer's income is constantly decreasing. The cost of clothing is still going up, which is rather strange since our market is flooded with Japanese textiles at bargain prices. In the meantime Canadians are unemployed and Victoriaville can be cited as an example. These are the three costliest factors, they are the three essential factors of the spiraling cost of living.

The fight against inflation by the Trudeau government was aimed at these three essentials of life. The government appointed the Young Commission to stop inflation, in order to stabilize prices and incomes. As it turned out the chairman of the commission stated: It is a complete flop; no use going on, nothing can be done without new measures; it is a vicious circle. This, Mr. Chairman, is the result of the struggle. I beg you for some understanding. When the government decided to create that commission, it was because the problem of the high cost of living for low income earners was well understood. Of course, the rich, the high income earner who can pay thousands of dollars in income tax has no worries about accommodation, food or clothing.

However, the poor, the sick, the blind, mothers and others who fall into the category of low income earners cannot fight the high cost of living. They are the first victims. And although they are the main victims of the high cost of living under the present crazy economic system, the federal government says it cannot grant single persons a basic exemption of more than \$1,500, as that would cost too much and make us lose too much revenue. Because the government refuses to raise the basic exemption for single persons from \$1,500 to \$3,000, it must collect a large part of its revenues from small taxpayers.

The federal government is unable to manage its budget except by squeezing to death the small taxpayers who make hardly any money at all. Incidentally, to make \$3,000 nowadays is a joke! What can you possibly do with \$3,000 a year? It is not even enough to pay for a year at university. What can we do with \$3,000? The government says: \$3,000, that is a lot of money. \$1,500 is enough. We shall tax the difference.

Mr. Chairman, this means that the government governs at the expense of the small taxpayers, that it tinkers with our taxation system under the pretence of setting up a just society. But its only purpose is to get votes and finally it is a just society just for fun, for the big ones at the expense of the smaller ones. Secondly, it means that the government does not run the country in a responsible way and that it is not logical with itself in its fight against poverty.

If the government really wants to fight poverty, it must not bear down the poor but get them out of trouble. You can lead a horse to the watering-place, but you cannot force it to drink. If the government really wants to fight poverty, I urge the Minister of Finance to fight poverty and not the poor and, above all, I urge him to fight the causes of poverty. That would be much better and much more sensible too.