

The Address—Mr. Rondeau

Mr. Saltzman: The example that is put me is that a doctor is not going to work 60 or 80 hours a week if he has to pay more in taxes. I say that a doctor should not be working that many hours. Or it is argued that somebody is not going to work overtime if he has to pay too much tax. I say he should not be working overtime when other people do not have a job at all. It is that kind of thinking we have to come to grips with if ever we are going to find an answer to any of our problems.

I was very shocked when I picked up the paper the other week. The Minister of Public Works (Mr. Buchanan) had made a speech in Brantford. He indicated that the federal government was considering some changes in the family allowance. I am sure that will have a lot of support from my friends on the right. One thing they are considering is eliminating the family allowance for the first child. I know the minister has children. He must realize that the first child is the most expensive. Until you have that child, it is virtually like being single. You do not really have any expense. It is the first child that costs you money. That is when you buy the crib, when you need the bigger house, and have many other things to consider.

● (2122)

The minister went on to suggest that they are considering untying the cost of living benefits from the family allowance. That is shocking. The government today talks about how much it is going to do for people in terms of additional tax room, and then it comes along and takes it away with this.

What is particularly shocking about untying or removing the cost of living benefits so that they do not escalate with the cost of living is that the pensions of members of parliament and of civil servants have a full cost of living allowance. It is a strange set of values to discuss it in these terms. I presume the minister was flying a kite for somebody thinking about doing it, and did not want to take the responsibility upon himself.

I see you are getting restless, Mr. Speaker. I want to conclude by again expressing my disappointment with the measures brought before this House tonight, and in particular my disappointment in realizing that the government, despite the terrible experience of the past few years and the horrendous forecast of unemployment for this winter, does not seem to have learned a darn thing.

Some hon. Members: Hear, hear!

● (2125)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, first of all, like all my colleagues who have heard the mover and the seconder of the address in reply to the Speech from the Throne, I wish to congratulate them for their first experience in this House and wish them all the best in their parliamentary function. I also want to congratulate the hon. Minister of Finance (Mr. Chrétien) for acceding to this portfolio and wish him well, particularly in the area of finance as we know it in Canada. He certainly deserves to be encouraged to perform

[*Mr. Nystrom.*]

somersaults as unbelievable as those we have witnessed tonight.

At least in his speech tonight he made a few attempts and we already feel a coming election, which will probably take place in 1978, and we realize that the minister has made efforts in this regard because his speech was of a somewhat electoral nature. He tried to demonstrate in his statement that the federal government, through the Department of Finance, tries to promote an economic recovery. But if we read his speech seriously and look at the words and their meaning, we realize there are not too many real facts. He announces some income tax exemptions of about \$1.5 billion whereby individuals who earn \$15,000 or less would pay \$100 less in income tax during the year 1978, which means also a decrease of about \$700 million in federal revenues.

He has also told us about the savings which Canadians would achieve under the indexing system whereby the government will allocate \$850 million less under this item. However, we have noticed that the minister has made a guess in this regard because no one knows at present what will be necessary in terms of indexing by the federal government in 1978 to cover the amount referred to in its estimates.

Mr. Speaker, I must emphasize that there are some kinds of double talk and electoral promises in this speech. I would draw your attention to page 10, for instance, where the minister got loud applause from his colleagues. He said, as one can read on page 10:

As a result of representations from members of all sides of the House, I will not be proceeding at this time with the measure for taxing the investment income realized by a policyholder on the death of the person insured.

This is nothing more than a promise, Mr. Speaker: I will not be proceeding at this time with the measure for taxing . . . Well, if elections were held in 1978 and if the Liberal Party were returned to power, what would happen to insurance policies, when the minister has been unable to give the House an official guarantee that there will be no taxing of insurance policies. Therefore, we can be sure that if the Liberal Party is still in power following the forthcoming elections, we shall have to cope again with this measure which the former Minister of Finance (Mr. Macdonald) had introduced in his last budget. When we examine the paragraphs which make up the minister's speech one after the other, we find that he is playing on both sides of the fence in order to win elections and return to power.

For instance, in his speech he deals with job creating measures which are still unknown. So there is no way we can find out tonight just how much the government has earmarked for this job creating scheme. There is something which surprises me very much in this budget, and it is that the government will grant \$1.5 billion in income tax exemptions, while foreseeing a deficit of some \$8.5 billion. This means that the Canadian people will get a deficit of \$8.5 billion at the same time as a profit of \$1.5 billion. Mr. Speaker, if these are simple, straightforward and just economic principles, this is beyond me.