

Income Tax Act

was difficult, everywhere. Those people contributed twice financially, physically and often morally, to the war effort and some of them, who have now reached pension age, often sacrificed to the army one or two of their sons killed on the battlefield. To-day those very people are abandoned. After having worked hard, after having done their very best, after having financed municipalities and school boards, after having paid taxes and union fees, they are compelled to quit work at 60, because some insurance plans do not protect them from an employer who does not want to take the risk of guaranteeing a job to someone who cannot be insured. This is why I support unreservedly the resolution of the hon. member for Notre-Dame-de-Grâce and, moreover, I wonder if 65 is not still too late in life. Indeed, when the bill is referred to the committee, I wonder if it would not be possible to lower the eligible age to 60. Since it is difficult to find employment even for a person of 20 or 25 and that there are many unemployed between 35 and 40, I feel that we should consider the possibility of granting a pension to persons of 60 years of age, while allowing them a tax reduction. I think that by doing so, justice would be rendered. It is not a matter of making a gift to those people nor of giving them an extravagant amount, but merely of giving them their due. As I said before, those people, at 60 or 65, are rejected; they no longer belong to their union, nobody takes care of them. I conclude by congratulating the hon. member who proposed that we take a little time to deal with the problem of those people who built our country. I feel that everything that aims at improving their situation deserves the attention of the government and that is why—and I say this in the name of our party—we fully support the measure.

[*English*]

Mr. Bruce Howard (Okanagan Boundary): Mr. Speaker, I congratulate the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) upon bringing before the house this important and thoughtful measure. Those of us representing ridings containing many old age pensioners are made aware daily of how urgent it is to improve pension conditions for our older citizens. We should be hard hearted indeed if we did not sympathize with the needs of our pensioners. For that reason alone, we ought to congratulate the hon. member for bringing this measure forward, because he has done the country as a whole a service.

[Mr. Godin.]

The pension field is very complicated, difficult and full of surprises. In my mail the other day I had a letter from a very old lady who said that she and her husband live on a pension which is well under \$3,000, the amount the Economic Council has referred to as the poverty line, and they both managed quite well. She said that although they do not have a great many luxuries, she and her husband are proud they can get along on their pension and do not want to take anything extra from the government. It was such an unusual letter that I thought it worth mentioning here.

It is important to note, Mr. Speaker, that the deductions or exemptions suggested in the motion before the house would provide a larger tax reduction for those with high incomes than for those with low and medium range incomes. I ask whether that would really help our old age pensioners? I submit that a \$500 deduction does not mean very much to a taxpayer receiving little but the old age pension. On the other hand, it represents a sizeable sum of money to someone with a large income. I shall compare some figures if I may.

Let us take the case of the pensioner receiving the basic minimum of \$1,310 a year. Without the \$500 deduction he would pay \$31.08 tax. With the \$500 deduction he would pay no tax. At the same time let us take the case of the taxpayer whose income is \$20,000 per year. If that taxpayer were eligible for the \$500 reduction as mentioned in the motion, his tax savings would amount to \$232 a year.

The hon. member for Winnipeg North Centre (Mr. Knowles) has talked of the problems of our old age pensioners and poor people. I submit that by adopting this proposal we would not be helping our poor. I ask, does this measure tackle the problem of poverty among our old age pensioners in the right way? Surely, we ought to give the most consideration to those persons receiving between \$1,300 and \$3,000 a year. It has been estimated that implementing this measure would cost the country between \$20 million and \$25 million a year of badly needed revenue.

Mr. Allmand: Would the hon. member permit a question? I should be interested in knowing the source of the statistics he is quoting to us.

Mr. Howard (Okanagan Boundary): I have done some research on this matter. The figures relating to what this measure, if