would purchase goods would be doing more business and paying more taxes, and government revenues would rise by something in the neighbourhood of about $1.5 billion a year. That is part of the way in which we would find the money necessary to finance the kind of programs which we believe we should be operating at present.

● (1630)

But there is another way in which the money can be found. The National Council of Welfare, in a document entitled "Hidden Taxation", pointed out that there are more than 60 deductions, exemptions, credits, exclusions and preferential tax rates which make up the invisible tax expenditure budget. They have estimated that these are only 20 per cent of the tax expenditures, and the amount of money which we lose in these various tax exemptions and credits was $7.1 billion in 1976. They have estimated that the full amount would be more than double that figure. Of that $7.1 billion spent in 1976, 53 per cent of the savings were given to the highest 20 per cent of the tax filers. The tax saving was $4,781 for the tax filers with incomes over $50,000; that is 12 times the amount that a person in the middle-income bracket received.

Here is how they estimated where the money went in millions of dollars. We gave up in tax revenues in 1976 through the registered pension plan, $707 million; for the registered retirement savings plan, $859 million; for the registered home ownership savings plan, $156 million; for interest and dividend deduction, $721 million; and for the dividend tax credit, $111 million.

If you look at the registered retirement savings plan, you see that almost $7 out of every $10 that was forgone by the government in taxes went to the highest income 10 per cent of the tax filers, and more than half the benefits went to the top 5 per cent. In 1976 the lowest income 50 per cent of tax filers had an $148.47 average tax saving; the top 5 per cent income tax filers saved $1,449.13—ten times as much. Some 62 per cent of the 1974-76 increase went to the top 10 per cent of tax filers and 43 per cent to the top 5 per cent alone.

In case any member of Parliament thinks that the National Council of Welfare misrepresents the figures, I refer members to a study done by the federal Department of Finance which reported late in December of 1979. They calculated that the federal government is losing at least $32 billion in revenue because of so-called tax expenditures. This is the revenue loss in 1979 associated with about 190 tax exemptions, deductions, write-offs and special incentives listed in the 96 page report entitled "Government of Canada Tax Expenditure Account" released on December 6, 1979.

Let me summarize some of the illustrations of how they got this $32 billion. The special frontier drilling incentives cost the government $100 million a year—$30 million to individuals and another $70 million to corporations. Those are precisely the individuals and corporations who can best afford to pay taxes, yet we give them exemptions or reductions.

In the housing area, the registered home ownership savings plan costs the government $115 million in lost revenue annually; the multiple unit residential building provision costs $10 million; and the deductibility of carrying charges on land costs $35 million. Again this is a gift to people who can most afford to pay taxes.

For individuals, the revenue loss to Ottawa in 1979 for the following selected items is: tax deductions for registered pension plans and registered retirement savings plans, $2 billion; tax deduction for contributions to the Canada and Quebec Pension Plans, $480 million; non-taxation of capital gains on principal residences, $2.5 billion; marital exemption, $1.36 billion; deduction for dependant children, $870 million; child tax credit, $810 million; non-taxation of lottery and gambling winnings, $300 million; and employment expense deduction, $500 million.

I could go on and on, but I think I have indicated quite clearly that in the view of our party the argument that we cannot afford to make improvements in our social security system, that we cannot afford to do better for the people in need, that we cannot afford to do better for the aged, that we cannot afford to do better for our native people, that we cannot afford to do better for the poor in our society who still number in the millions, simply does not wash. We believe that the Canadian people can afford to do a better job than we have done in recent years. We believe that the needs of Canadians who are in want can be met; and we believe that this proposal of the government is an attempt to put a stop to improvements, to put a stop to the expansion of our social security system, to put a stop to the very meagre steps which have been taken to try to improve the lot of the poor people, the people in need in this country. It is because we believe that, Mr. Speaker, that we propose to vote against this resolution.

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the next hon. member to speak, I should like to give the proceedings on the adjournment motion for this evening.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg-Assiniboine (Mr. McKenzie)—Air Transport—engine failures on Air Canada aircraft—Call for inquiry and study on air safety; the hon. member for Lethbridge-Foothills (Mr. Thacker)—Energy—Processing of resources near source—Possible relocation of Sarnia complex; the hon. member for New Westminster-Coquitlam (Miss Jewett)—Employment—Reinstatement of outreach program—Restoration of funds for 12 projects.