

Income Tax Act

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre):—when he proposes to this House today exemptions of \$1,500 single and \$2,850 married. The \$1,500 exemption is \$300 more than the \$1,200 in the late 1920s; the \$2,850 exemption is \$450 more than the \$2,400 of the late 1920s. But in that period of time the cost of living has risen between two and three times. The value of the dollar, in terms of purchasing power, is less than half what it was. As for government budgets and the gross national product, we have gone to the moon compared with the situation in those days. I say to the Minister of Finance—

• (5:30 p.m.)

An hon. Member: \$5 billion.

Mr. Knowles (Winnipeg North Centre): The hon. member says "\$5 billion." I believe the gross national product in 1933 was \$3 billion. Today it is more than \$90 billion. In the face of that, the genial Minister of Finance, whom one of his colleagues described as having an impish smile, has asked us to think that he is doing something for the low income people, the ordinary working people of Canada, because he now so magnanimously and generously is raising the exemption levels to \$1,500 single and \$2,850 married. I submit that compared with the increases in the cost of living—

Mr. Benson: How about comparing it with any other country in the world?

Mr. Knowles (Winnipeg North Centre): I am not a member of the Parliament of any other country. I am a member of the Parliament of Canada. I represent Canadian people. I want justice for the Canadian people.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I am glad to see the Minister of Finance applauding that statement. Instead of patting his desk, I wish he would pat the Prime Minister (Mr. Trudeau) where it would encourage him to do something in terms of justice.

We have had to point out that some of the increases given to old age pensioners are really decreases because of the rise in the cost of living. In light of the increase in the cost of living, the increased affluence in the country, the gross national product and the budgets of all our governments, these figures of \$1,500 single and \$2,850 married are a reduction. It puts the taxpayers of today in a relatively worse position than the taxpayers in the Bennett days of 1933 when \$1,000 and \$2,000 were applicable, or in the Liberal days of the 1920s when the deductions were \$1,200 and \$2,400.

Mr. Mahoney: What about the old age pensions of the 1920s?

Mr. Knowles (Winnipeg North Centre): Oh, yes. My friend is indulging in a recital of the things we fought for in the past 40 or 50 years. He knows that in light of today's gross national product and our affluence we have not begun to give our senior people their rightful share of what is being produced today.

Some hon. Members: Hear, hear!

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): I welcome the fact that during the course of this debate many members have referred to the 1949 date, 22 years ago, when the last change was made in the exemption levels. However, I invite members on this side and members opposite to consider the bit of history I have given this afternoon, for in fact the comparison that should be made is not with 1949 but with 1933 or, better still, with the late 1920s. It was then that the Liberals were in power. In terms of what was the case then, literally nothing has been done. I will correct that: something has been done—the position of the low paid workers has been made relatively worse.

Don't tell me that other things have improved such as pensions, allowances, and so on. Of course there are things for people who retire today that were not available in the time of my father and my grandfather. Society has moved on. Progress has been made. The whole purpose and aim of a movement such as ours is to see to it that the improvements society makes are shared by the people. We want to ensure that those improvements get back to the people who helped make them possible. This tax bill does not do that.

Hon. members on the Liberal side like to speak about the number of people taken off the tax rolls and the number of people being granted reductions in the taxes they pay. This all sounds good until you look at it in comparative terms. In comparative terms, this government and the genial minister with his impish smile are doing harm to the Canadian people. They are failing to give them what is their right. There is no place in this massive 739-page tax bill—now larger than when it was before the committee of the whole—where this betrayal of the rights of the ordinary people of this country is better demonstrated than in what it has done with regard to the income tax exemption levels. It would have been more honest if the minister had left them where they were.

The exemptions have been raised by a few paltry hundred dollars. The minister is saying to the people of Canada, "look what we have done for you." That is a form of political dishonesty. That is why we are voting against this bill. As a package, it is not good enough. This particular area demonstrates its shortcomings and inadequacies. It is because of our primary concern about the position of the lower income people, as reflected in this talk about the exemption levels, that I am concentrating on this issue this afternoon. It is for that reason I am moving an amendment of which I gave notice last night.

As hon. members are aware, it has been made clear to us that we cannot move an amendment to raise the exemption levels. We have been told that this is a matter of government policy. It has the effect of altering the tax structure and putting the incidence, somewhere else than the government chose to put it. Several times in committee of the whole it was made clear that we cannot do that, but that it is in order for a private member to move for certain rates of taxation to be reduced, provided one makes that reduction general and right across the board. Far from the restriction being a difficult one for us, we welcome it. Rather than raising the exemption levels, which always has the effect of giving a bonanza to those at the top in return for not much more than a banana peel to those at the bottom—