

*Income Tax*

**Mr. Lambert (Edmonton West):** But this is wrong. I agree that for our senior citizens who have small investments the \$1,000 tax free interest as proposed in the May budget is good. I do not think so much of the dividends, because the net amount is actually going to be too small, and there are too many difficulties.

I am sure the minister reads comments of tax experts like Mr. Asper, and I am glad to see that the hon. member for Waterloo-Cambridge (Mr. Saltsman) had also read them and put them on the record. There are some great ways to get around this. It is going to be difficult and I would have thought, however, that a far better way to relieve the pressure of inflation today would be to adopt the proposal put forward by the Leader of the Opposition (Mr. Stanfield) in the last election campaign, and adopted in part by the minister's own party.

Where an income earner reaches pensionable age and his spouse is aged under 65 and you can reverse it if need be—when the husband becomes pensionable under the Canada Pension Plan and receives old age security, and his spouse is aged over 55, she should also qualify for a pension. I do not expect a woman over 55 to go out and get a job in order to take up the slack which has suddenly arisen in their income position by reason of the husband's going from an income earning position to a pensionable position. This would not cost that much money and it would relieve a lot of suffering. I sincerely hope that the minister will do that in his next budget. It would be a step in the right direction.

● (2150)

I asked the minister privately yesterday if he had cleared with the Minister of State for Urban Affairs (Mr. Danson) whether the \$500 bonus for a first time home purchase is considered a benefit under the Income Tax Act.

**Mr. Turner (Ottawa-Carleton):** It is not taxable.

**Mr. Lambert (Edmonton West):** The minister says it is not taxable and I am glad to hear that because it would have been a cruel hoax had it been. We will have to see whether there are some other benefits that do not get taxed.

**Mr. Turner (Ottawa-Carleton):** We will go through them together.

**Mr. Lambert (Edmonton West):** Fine. I am glad to have the minister's assurance on that point. Does the \$1,000 for private pension plans apply to public service superannuation, RCMP superannuation and armed services superannuation? All of these plans are not of general contribution, they are contributions of the individual members, and there is a pension plan earmarked for them. It would be a cruel irony if a member of one of those groups, or a former member of this House, were to be told that the first \$1,000 of their pension did not qualify. Under a registered retirement savings plan which has been converted into an annuity, the first \$1,000 is exempt, so certainly it should be for a member of the public service—a postal worker, for instance. I see the Postmaster General (Mr. Mackasey) nodding with some approval at what I am saying.

**Mr. Mackasey:** I was following.

[Mr. Nystrom.]

**Mr. Lambert (Edmonton West):** The hon. minister was nodding—I am sure he would not dare fall asleep with such a benign look on his face.

There is one final point, Madam Speaker. Some two years ago, when he was trying to get through the special tax deductions on manufacturing and processing machinery, the minister said he was conducting a survey, but we have not heard a word about it since away before last May. He was supposed to be making a study of the efficacy of any depreciation plans, but the results have not come forward. The minister has suddenly made some changes, however. He has agreed that the accelerated depreciation over two years for manufacturing and processing machinery will continue without terminal date. On what basis has he done this, however, in view of the undertakings he gave to this House? The reasons may be perfectly all right.

**Mr. Turner (Ottawa-Carleton):** I described them in the budget speech.

**Mr. Lambert (Edmonton West):** There was no detail, just an assertion that the minister was happy to do it.

On the basis of what I have said, Madam Speaker, on the provisions in the budget and in this bill with regard to the deductibility of royalties, etc., I now move, seconded by the hon. member for Athabasca (Mr. Yewchuk):

That all the words after "that" be stricken out and that there be substituted the following:

This House, while approving the several provisions in Bill C-49 which relieve against the incidence of income tax on, *inter alia* low income earners, pensioners, and persons in receipt of specified sources of interest and investment income, declines to give second reading to a bill which includes provisions which eliminate the deductibility of royalties, licences or other fees payable to provincial governments from operational income in the computation of income tax by taxpayers engaged in the development and production of natural resources owned by such provinces.

I am satisfied that this motion should meet the approval of our colleagues in the New Democratic Party because it is in line with the speech made by the hon. member for Regina-Lake Centre (Mr. Benjamin).

This is a reasoned amendment, and I am satisfied in my own mind it is of a nature that can be supported by argument. It is one of a kind that is somewhat rare, but there have been occasions when I have been successful in convincing the Chair that the reasoned amendment technique is the best way to deal with an omnibus bill.

This is the type of bill that contains many provisions affecting all the sectors of the economic life of this country. There are many of these provisions with which we agree, and there are many with which we disagree. The House should be able to join issue on a full debate and be able to express its opinion with regard to these various provisions. I would hope, Madam Speaker, that it being one minute to ten o'clock you would consider my motion overnight, and that we could have a decision from whoever is in the chair tomorrow afternoon on the continuation of this debate. May I call it ten o'clock?

**Mr. Turner (Ottawa-Carleton):** On a point of order, Madam Speaker, before the Chair eventually rules on the admissibility of this particular amendment I would hope