

Income Tax

where objected strenuously to this proposal because they quite rightly judged this would eliminate a great source of rental housing development. It did; they were absolutely right. As soon as the act came into force we no longer saw any cranes up in the air to construct high-rise apartment buildings or office buildings. But back in 1974 the provision was re-introduced on a one-year basis. It did not produce any results, because investors will not participate in a one year venture. Subsequently this was extended to 1977, and I suggest that we are still observing the socially negative results of that move.

The tax is ultimately collected through the recapture of depreciation when a building is sold, and the developers inevitably sell these buildings because they will not stay in business with just one building. This has resulted in the opening of a market in Canada to foreign investors. We have mistreated our Canadian investors. We have heard a great deal of complaint about the amount of foreign capital that has come into Canada since 1970 to purchase major residential properties. This was inevitable because these properties were put up at fire-sale prices. They represented good buys at depressed prices. Any foreign investor is ultimately governed by tax rates applicable in his home country. In addition, in the last couple of years particularly we have noted Canadian investors investing in the United States.

[Translation]

The Acting Speaker (Mr. Ethier): Order. I regret to interrupt the hon. member, but the time allocated to him has elapsed. He may continue with the unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Ethier): The hon. member for Edmonton West (Mr. Lambert) has the floor.

[English]

Mr. Lambert (Edmonton West): Thank you, Mr. Speaker. I had reached the final point I wanted to make. I should like to make reference to a suggestion I have received regarding registered retirement savings plans. The proposed change will allow an individual exemption of \$5,500. No mention is made of a change in the allowable taxable income. Therefore, it is 20 per cent at the present time with a ceiling of \$5,500. The only people who will fully benefit from this increase are those with taxable incomes of \$27,500 or more. A maximum was achieved in relation to 20 per cent of a taxable income of \$20,000 or \$4,000.

If the purpose of the tax deferral, or the registered retirement savings plan, is to provide for a future retirement and encourage more saving, why not take another look at the percentage allowance? There are many people in this country in their middle years with moderately low incomes of \$10,000 to \$15,000 who are concerned about saving, having now finished raising their families. They have some surplus money that could be put aside for retirement purposes. They do not have many years left before retirement, and they should be given an incentive to save more in that relatively short time.

[Mr. Lambert (Edmonton West).]

Let me put the following formula to the minister for his serious consideration. Where a person is not a member of a company pension plan and he or she is 50 years of age or over as of July 1 in any calendar year, the exemption should be \$5,500 without a percentage of salary requirement. In other categories the percentage should be raised from 20 per cent to 30 per cent of taxable income with a ceiling of \$5,500. I put this to the minister for his consideration, and terminate my remarks.

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised at the time of adjournment are as follows: The hon. member for Winnipeg South Centre (Mr. McKenzie)—Canada—Request for tabling of documents authorizing loan guarantee and specifying orders; the hon. member for Saskatoon-Biggar (Mr. Hnatyshyn)—Atomic Energy of Canada Limited—Services to be received for payments to agent; the hon. member for Mackenzie (Mr. Korchinski)—Farm Credit Corporation—Alleged denial of loans to farmers getting less than 50 per cent of income from farming.

It being five o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notice of motions, papers. Motion No. 1, in the name of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall).

Mr. Marshall: Stand.

The Acting Speaker (Mr. Ethier): Stand at the request of the government.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[English]

TRANSFER OF WESTMINSTER HOSPITAL IN LONDON

Mr. Jack Marshall (Humber-St. George's-St. Barbe) moved:

That an humble address be presented to is Excellency praying that he will cause to be laid before this House copies of all correspondence, minutes of meetings, telegrams, contracts and/or agreements between the government and the province of Ontario having to do with the transfer of Westminster Hospital in London.