

has made many tax concessions in recent years which bring the kind of relief which this motion seeks to offer to low income Canadians.

For example, the following changes have been made regarding the 1974 taxation year. The increase in the minimum tax cut from \$100 to \$150 will save taxpayers \$380 million. This is with reference to the year 1974. It has been said that the new deductions at that time of up to \$1,000 in interest income will result in a saving of \$230 million, and that taxpayers taking advantage of the Registered Home Ownership Savings Plan will save an estimated \$100 million, not insignificant amounts when compared with the proposed raised tax deductions or basic exemptions.

For the 1975 taxation year the following changes were made in favour of the Canadian taxpayer. The increase in the federal tax cut from 5 per cent to 8 per cent, a maximum of \$750, and the additional increase in the minimum cut from \$150 to \$200, will save the taxpayers an additional \$615 million. The maximum has since been reduced to \$500 in the most recent budget. The extension of the interest deduction to include dividend income will save the taxpayers an additional \$10 million. The new deduction of \$1,000 of pension income will save persons in receipt of such income an estimated \$55 million. Finally, the ability to transfer to a spouse the unused portion of the age exemption will result in a saving for taxpayers of \$35 million. Further, the removal of the limit for capital cost allowance deductions for rental construction was to result in a saving to taxpayers of an estimated \$10 million, and taxpayers residing in provinces with which the federal government has collection agreements will enjoy further tax concessions as a result of a number of the above measures. For the 1974 taxation year this additional reduction was projected to have been \$86 million, and for 1975, \$127 million.

These are but a few of the many reforms in personal income tax benefits to low income taxpayers which have been made by this government over the last few years. They are not insignificant.

There is always the consideration of raising the basic exemption, but I think we can see also that there are certain difficulties with this approach. The government has considered and has implemented these approaches, and for this reason and for the reason that they amount to the proposals that are made in this motion—namely, \$5,000 for a married couple and \$2,800 for a single person—I would have to say that I cannot give my support to this motion, although once again I should like to congratulate the hon. member for Bellechasse and his party for the noble intentions that the motion represents toward the low income taxpayer.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, a while ago it was my intention to rise and begin by congratulating my friend on the spirit and intent of his motion. But then I heard those very words from the hon. member for Halton (Mr. Philbrook) and he seemed to be using them to say to the hon. member, "You have a good idea, but I cannot support it". So I have to think of some other way to put it, because I do commend the hon. member for Bellechasse (Mr. Lambert) for raising the issue in his motion which is fundamentally that there

Personal Exemptions

should be certain minimum levels below which the incomes of Canadians should not be allowed to fall, or below which they should not be pushed by government tax collectors, either federal or provincial.

Therefore, I support the general intent of the hon. member's motion. He will know, as other hon. members will know, from points that we have made in previous debates on this subject, that we think a better way to achieve what is sought in this motion, a way better than just raising the exemption levels across the board, is to increase the tax credits made available to those in the lower and middle income groups.

When one simply raises the basic exemption levels, although that will help those just over those levels and be a still greater help to those who are still a bit further up, the benefit becomes a real bonanza to those up at the top. Therefore, I want to say that the way in which we think this goal should be achieved is not by a method that provides excessive tax reductions to the millionaires but by ways that provide actual tax reductions to those in the lower and middle brackets. However, in presenting his motion the hon. member was not drafting legislation. I suspect that if he and I were to sit down to try to work out legislation we would get along very well.

● (1640)

Another point that I wish to make is parallel to what I have just been saying. We are concerned not only with protecting the income levels of those who have incomes by not taking it away in taxation at the lower reaches, but we are concerned about those who do not have incomes that even come up to those levels. In other words, this motion confronts us again with the need in this country for a real and effective guaranteed annual income program.

The minimum levels suggested in the motion, or as the hon. member would amend it, are still too low in the light of today's cost of living. Whatever those levels may be—and I hope our studies and work in this field will soon produce some readings of appropriate levels—I trust before long we will be talking seriously not just about tax measures that result in not taxing too heavily those in the lower income groups but about measures that will guarantee certain reasonable levels of income to all the people in this country.

I have just one other comment, Mr. Speaker. The hon. member for Halton (Mr. Philbrook), although he did not press his point as a reason for objecting to this motion, did refer to an argument that is usually trotted out, that one has to look at the cost to the treasury of any radical change in the income tax exemption levels.

I am sure the House will forgive me for pointing out that an hour ago we were dealing with and the House voted for a measure which is part of a program to spend about \$1 billion of Canadian wealth on the Olympic Games. But when we talk about doing something to promote the incomes and living standards of the ordinary people of this country then we are told we have to count the cost. I have heard this sort of thing too often. I do not like it, and I think it is time we paid more attention to all our people, and to our low income Canadians in particular.