

Income Tax Act

which is set at \$343 for 1983. The Bill that we are now discussing proposes an increase in the value of the credit from \$326 to \$343 for each child.

I would also remind the Member opposite that senior citizens qualify for special tax exemptions. There is an age exemption which can benefit senior citizens. The \$1,000 pension income deduction and the \$1,000 interest income deduction can also bring a real benefit to senior citizens. Therefore I think if the Hon. Member opposite considers the matter he will be able to identify a range of benefits which can be utilized by those in the lower income level as well.

The Deputy Chairman: The Hon. Member for Winnipeg North has one minute remaining in his time.

• (1130)

Mr. Orlikow: Mr. Chairman, with reference to the Minister's suggestion that the six and five program had a great deal to do with bringing down the cost of living to the 4.2 per cent announced today, I do not think he would find anyone outside the Government who would agree that it was the six and five that brought it down except on that side of the House.

Mr. Blenkarn: They put everybody out of work.

Mr. Orlikow: What brought down the cost of living was the fact that the world is in a recession. We have 1.25 million officially unemployed and probably another 500,000 who have just stopped looking for work. That is what has brought down the cost of living. I would point out to the Minister that if interest rates are going to go up as they have in the last few weeks, the cost of living will very quickly begin to rise again.

Mr. MacLaren: Mr. Chairman, I do not wish to prolong this part of our discussion, other than to note that many people across our country recognize the contribution which the six and five program has made to the reduction of inflation in Canada.

Mr. Blenkarn: Like Ian Sinclair.

Mr. MacLaren: If the Hon. Member consults *Hansard*, he will see that I said a number of factors have contributed to the reduction in inflation. I did not say merely that the six and five program did; I said there were a number of factors.

Second, with regard to his observation that interest rates in Canada have gone up in the last few weeks, in fact they have not. The corporate lending rate has remained the same. Mortgage rates have been reduced—

Mr. Blenkarn: They went up today.

Mr. MacLaren:—over the past weeks. There has been no increase over the past weeks in major lending rates in Canada.

Mr. Riis: Mr. Chairman, I have a few questions I want to put forward. I suspect the Minister may feel that we are spending an extraordinary amount of time on this one clause, but a number of Members have indicated that we are dealing

with a new concept, almost a first ever concept when you consider that what we are doing today as a result of this particular clause is identify a select group of Canadians. We are saying we are interested in insulating Canadians from the ravages of inflation.

Mr. Evans: Nonsense!

Mr. Riis: It is not nonsense. It is absolutely not nonsense. As a matter of fact, for the people watching the debate today in the galleries or on television, they must be absolutely disgusted at what they are seeing and hearing. Anybody who can legitimately stand in this House and say this is a good idea, that this is an equitable, just, fair provision, must be living in some fantasy fairyland. I do not see how the Government can possibly say that this is a positive step forward in our tax system by saying we have a group of Canadians who we want to insulate from the realities of the inflationary world.

I have two or three questions I want to raise with the Minister. I have been listening very closely to the speakers in the debate. I have yet to hear a single explanation from the Minister that I would feel comfortable taking home to my constituents as an explanation regarding this piece of legislation. I will ask the Minister to assist me. I am a simple country boy from western Canada who has to go back to his constituency in the next few days for a Christmas break and talk to the fallers, the cattlemen, the farmers, the people in the copper mines, the sawmills and the plywood mills and try to explain to them that the Government has introduced a new piece of legislation that will protect those people who purchase stocks, not necessarily for long-term investment but those who buy warrants; in other words, those who use and play the stock market. We have identified that group to protect their investments and their incomes from inflation.

What do I tell all the other folks in my constituency, which I suspect make up the majority, who are not protected in terms of their salaries, incomes and wages? I can explain to those who speculate on the stock market in my constituency how this will benefit them because the Minister said: "We went out and consulted a lot of folks and talked to the investment community, the Investment Dealers' Association of Canada". We even had the Lortie Commission examine this group which reflects a certain cut in society. They all thought it was a good idea. They all said that for all those people who invest in the stock market in all kinds of ways, this is a good move to take to protect their incomes from inflation and therefore it must be a good idea.

To me, Mr. Chairman, that is pretty perverted logic. With all due respect, I say to the Minister that really he is trying to justify what he is doing by using pretty peculiar logic. If I were to go and ask the people in the forest industry in my riding whether they would like to have their wages protected from inflation—

Mr. Evans: They are. They have COLA clauses.

Mr. Riis:—I suspect they might say: "Yes, we would; that is a great idea". I hear the Member opposite saying something