

Income Tax Act

cut-backs? I'll bet! This is what the government is doing. It is marshalling the ranks of the poor, the needy, the disadvantaged, the old age pensioners, the people on fixed incomes, and telling them: you must tighten your belts; you must take less and, if you can do this, somehow we shall do something about the inflation which is facing this country.

No one in this house denies the existence of the inflation problem. But let it be clear, neither does anyone in this house want to go back to the wage and price levels of 10, 20 and 30 years ago, or to the poverty and the living standards which went with them. Let it be admitted that as prices and wages rise there is a certain amount of adjustment, and that living generally is better today than it was in the period of the thirties in relation to which I was quoting from *Hansard* a while ago. In facing this problem of inflation the government ought not to be asking the old age pensioners and the poor to carry the whole load. It should, rather, be protecting their position by saying that their pensions and allowances are to be increased to enable them to keep up with the rising cost of living.

I will go further, Mr. Speaker. I would say they have a right to share in the rising standard of living and that their pensions should keep pace proportionately with the increases which take place in wages and salaries. This is an old story. My hon. friend the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) and I were today reading from the speech made by Mr. Woodsworth, drawn to our attention by the hon. member for Pembina. We were reminded of conditions back in the middle thirties. It happened that the Conservatives were in power then, though the Liberals are now. It does not make much difference. The battle through the ages has been to obtain a recognition of the right of the poor and the disadvantaged to have their share of the wealth they help to produce in a nation such as ours. They will not do so unless wages are allowed to rise, unless farm prices are allowed to rise, unless money is spent on social welfare, on health, on housing, on education, and until there are pensions and guaranteed incomes which keep raising the standard of living of the ordinary people of this country. These are the people about whom we should be concerned.

When the minister asks us to put a 2 per cent social development tax on all the people of this country, when he wants the pensioners to get by with less, when he robs them of

[Mr. Knowles (Winnipeg North Centre).]

what little they have, when he wants the poor people to fight the battle against inflation on his behalf and on behalf of the chartered banks, he is not representing the best interests of the ordinary citizens of a democratic country such as this. Mr. Speaker, you allowed me to use the word "rubbish" a while ago. Allow me, now, to use the word "hypocrisy", because I think this is what we shall be hearing tonight. The minister will be talking about inflation and what we must all do to combat it. I say that people, not bank and insurance company presidents, must come first, and that we should be concerned not with belt-tightening or the methods which Herbert Hoover would have adopted but with ways of developing our production, increasing our productivity, and making sure that the increases that are achieved lead not to profits for the few but to an improvement in the livelihood of ordinary people.

Without any question, therefore, we are opposed to this bill. We think the house should put it off for six months and then for another six months after that. That is why I intend to move this amendment. I hope the house will go on record as squarely opposing the 2 per cent social development tax and that its action will be a warning to the minister not to bring in anything more of this nature tonight.

I hope that tonight the minister will find it possible to do a few things which are progressive and helpful. I have been pleading with him for a year or more to get over this technicality as a result of which pensioners receiving income supplements are obliged to pay income tax on them. Surely the minister can take care of this situation by means of a tax credit or an adjustment of some sort. As a matter of fact we believe he ought to provide that any income of less than \$2,000 for a single person or \$4,000 for married people should not be taxable at all. And let the hon. gentleman not tell us that I said he should raise exemption levels to these points and give bonanzas to the wealthy. I know the mathematics of this. You can leave the rates as they are in respect of those earning upwards of \$4,000 or \$5,000, but you can provide that on incomes below a certain amount no tax should be paid.

The minister knows how to do this. He did it in connection with the Estate Tax Act where he provided that when people leave estates of less than a certain sum, no tax at all is payable. I hope the minister will bring in something on these lines tonight. If he cannot be progressive, then at least let him