

advocates of socialism and communism ignore completely these common productive factors.

In a creditist system there would be therefore two sources of personal income—

• (5:40 p.m.)

[English]

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I do so to advise him that his time has expired.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, not much time is left in this debate, and since at least one other hon. member wishes to speak I will make my remarks brief. I feel that the motion before us is a good one. It gives members of this House an opportunity to outline their views on what ought to be done with respect to increasing basic income tax exemptions for individuals, and their feelings with respect to removing the 11 per cent tax on building materials, and so on. I think that shortly before budget day is a good time for us to put our views on record.

May I point out to hon. members a poem, the first two lines which are pertinent to this debate. I quote from "The Deserted Village" by Oliver Goldsmith:

Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay—

Those lines make a good beginning for a speech in a debate of this type. If you go around Ottawa or the surrounding rural areas you will see the conditions under which many of our old age pensioners live and realize just how tough it is for them to exist on the pension. It will then become crystal clear that we have not done a good job in providing the decent pensions which our senior citizens should be getting, especially in a country as rich as and with the resources of Canada from which we could provide a far better standard of living for Canadians who live close to or below the poverty line.

The main objective of this government when it was elected in 1968 was to bring about a just society. We have been developing legislation for the past three years, ostensibly to bring about the so-called just society for the Canadian people. Let me be frank, Mr. Speaker: I feel that the goals which were set three years ago are not apparent either in the legislative program or the economic policies which to date have been presented by this administration. A prime example which illustrates the truth of my remarks is the legislation passed a few months ago raising the basic old age security pension by a miserly 42 cents a month, while at the same time removing the 2 per cent cost of living bonus which used to apply to basic pensions when the cost of living index rose by more than 2 per cent in a year. We dealt a cruel blow to pensioners who expected something more from the representatives they had sent to Ottawa. There is one way for us partially to rectify the mistake we made a

Alleged Non-Institution of Just Society

few months ago when passing that legislation: we could raise substantially the personal income tax exemption for all Canadians.

We have advocated on numerous occasions a sharp increase in personal income tax exemptions and I hope these are announced when the budget is brought down later this week. We have suggested an exemption for single persons of at least \$2,000, and for married persons of at least \$4,000. At present there is an additional \$500 exemption for those over 70. Why can we not lower the age to 65, at which one is entitled to this additional \$500 exemption?

An hon. Member: Why not lower it to 21?

Mr. Harding: Certainly the age should be lowered to 65. My facetious Liberal friend from Calgary asks, why do we not lower the age to 21? I suggest to him that in view of the increases in the cost of living over the last 10 or 15 years as a result of inflation, our income tax exemption levels are not high enough. One has only to do a little research to realize that this is so.

In addition to increasing income tax exemption levels the government ought to increase the old age security pension. I submit that the basic pension should be not less than \$150 a month, as advocated by members on all sides of the House. I also suggest that income tax should not be levied on a pensioner's income when he receives the pension and the guaranteed supplement. When people are paid a pension and an income supplement, it means that they need the money. If they need it, Mr. Speaker, we should not tax part of it. That has been the practice. I am convinced that the sort of budget the Minister of Finance (Mr. Benson) will bring down will continue this practice.

When people reach the age of retirement they have the right to a certain amount of income and they should be entitled to an old age security pension based on a certain level, which I suggest should not be less than \$150 a month. In addition, we should guarantee by law that the value of the basic pension will not be eroded by inflation. To that end we passed the regulation several years ago which would add 2 per cent to the basic old age pension whenever the cost of living index rose by more than 2 per cent in one year. My party would go much further than that. We say that the total rise in the cost of living index should be added to the pension.

The basic pension to which our older people are entitled should never be eroded. However, just four or five months ago we passed legislation removing even the 2 per cent cost of living escalation clause which had offered some small protection to our older people. That provision did not allow for full recovery in the face of cost of living increases but it allowed partial recovery. It was better than nothing, and in passing the legislation that removed this provision the House took a retrograde step.