

reductions which will increase take-home pay and moderate the cost of a wide range of consumer products, and will at the same time provide special relief for the elderly, the veterans and their families. In other words, the fundamental aim when there is that type of squeeze is to increase the disposable income of Canadians by tax reductions at the personal and sales tax level and to encourage an increase in supply by the agriculture industry, as well as by international competitive policy. That is the policy the government is currently following.

The real proof of the pudding can be found in a comparison of our costs with the disposable incomes of Canadians. I am concerned that the disposable incomes of Canadians, particularly for lower income Canadians, remains in a position to meet whatever increase there is in the cost of living. The aim of the budget and other government policies is to encourage an increase in supply of goods through an increase in production to meet rising demand; in other words, to deal with the basic source of the problem rather than to try to cover it up with a bandaid of the kind offered to Canadians by the Conservative party.

I want to recite again to the House the specifics of the last budget. They are reduced personal income taxes by the equivalent of 12 per cent to 13 per cent; raising the basic exemption from \$1500 to \$1600; raising the exemption for married couples from \$2,850 to \$3,000; cutting the basic federal tax by 5 per cent, providing a minimum reduction of at least \$100 and a maximum of \$500; indexing personal income taxes beginning in 1974; abolishing the federal sales tax on all children's clothing, footwear and wear-goods and non-alcoholic beverages and the special tax on toilet articles, cosmetics and clocks and watches with a manufacturer's price of less than \$50; reducing tariffs temporarily by an average of five percentage points on a wide range of imported foods and other consumer goods totalling \$1.4 million in 1972; permitting family farms to pass from one generation to another free of capital gains tax; removing restrictions for tax purposes on the reinvested earnings of small businesses; increasing the old age pensions to \$100 a month effective April 1, 1973; raising the combined OAS/GIS to a maximum of \$170 a month for single persons and \$325 a month for couples; injecting a further \$190 million into the economies of the slow-growth regions of Canada by including local school taxes on property in the calculation of equalization grants to the provinces. This represents 26 per cent of school taxes paid by the local ratepayers of the seven receiving provinces which, if it is passed along by the provinces to the local ratepayers, will increase their disposable incomes by that much.

**Some hon. Members:** Hear, hear!

**Mr. Turner (Ottawa-Carleton):** We must also consider the measure of my colleague the Minister of National Health and Welfare (Mr. Lalonde) to raise family allowances \$20 a child in respect of all families, and the announcement by my colleague the Minister of Consumer and Corporate Affairs (Mr. Gray) of the establishment of a food prices review board to monitor food prices.

**Some hon. Members:** Oh, oh!

### *Increased Cost of Living*

**Mr. Turner (Ottawa-Carleton):** The combined effect of these provisions in respect of fixed incomes, lower incomes and those with large families is to increase the disposable income so as to combat the rising cost of living. I want to say that the policy of the government at this stage in our economic cycle is to increase the disposable income of Canadians, particularly those with fixed and lower incomes, and to increase the supply of agricultural and manufactured products by combined agricultural policies, tariff policies and fiscal and monetary policies. Our aim is to meet the problems with a sound economic policy and not by 90-day stop-gap measures; a sound economic policy that reflects the international forces applying in this phenomenon of domestic inflation that is apparent to most Canadians.

**Some hon. Members:** Hear, hear!

• (1600)

**Mr. Deputy Speaker:** I understand the hon. member for Peace River (Mr. Baldwin) wishes to be recognized for the purpose of asking a question.

**Mr. Baldwin:** A question of privilege, Mr. Speaker. I just wonder whether the Prime Minister (Mr. Trudeau) would now like to apologize to me for pressing me to stay and listen to what he described as new and exciting ways to deal with the problem of inflation.

**Mr. Deputy Speaker:** Order. This seems to be another one of the interjections which have become sort of the order of this afternoon. The hon. member for York South.

**Mr. David Lewis (York South):** Mr. Speaker, as I begin my remarks, I want to say to my friends in the Conservative party that all of us listened very carefully and very courteously to the interesting speech of the hon. member for Don Valley (Mr. Gillies). I noticed that while the Minister of Finance (Mr. Turner) was speaking, they did not return the same courtesy. I hope they will from now on. If the question of rising prices is as important as the hon. member for Don Valley said, and all of us agree, it seems to me this debate should be carried on with seriousness instead of in the way in which some members of this House have behaved during the past few minutes.

It occurred to me, as I watched the question period and the last few minutes in this House, that the members of the Conservative party think they can overcome the results of the Gallup poll by being negative, destructive and noisy. I want to tell them they cannot do that, Mr. Speaker.

I shall deal with the proposal of the hon. member for Don Valley in a moment, but I want to say to the Minister of Finance that it does not help to resolve the problem now before this House as well as before the people of Canada for him merely to recite again what he told us on February 19 and to make a speech which suggests that all that can be done has already been done, that nothing more should be done. I know of nothing less helpful to the situation in Canada than that kind of entirely unjustified complacent attitude which the Minister of Finance has shown. I could not help but notice when the hon. member for Don Valley spoke, that one of the reasons he gave that it is no longer possible to affect the price situation by creating unem-