

*Income Tax Act*

**Mr. Knowles (Winnipeg North Centre):** The hon. member should have said, not "taxable income" but "income".

**Mr. Burton:** I beg your pardon. The hon. member for Winnipeg North Centre has pointed out that I should have said 3 per cent of income. This 3 per cent level has been in existence since 1953. For some years prior to 1953 it had been set at 4 per cent, although when first introduced in the wartime budget of 1942, I believe, it was set at 5 per cent.

Therefore, Mr. Chairman, I feel it would be in the best interests of the Canadian people and would assist the government to achieve its policy objectives in other areas, namely, the areas of health care and government considerations involving health costs, if we were to reduce the threshold level for taxpayers. Accordingly, I would move the following motion:

That Bill C-259 be amended at page 282, line 7, by deleting the figure "3%" and substituting the figure "1%".

**The Chairman:** Order, please. Hon. members have heard the motion of the hon. member for Regina East. The inclination of the Chair is to accept it as being in order. It deals with the deduction under subsection 110 of certain medical expenses and the effect of the hon. member's amendment would be to reduce the figure of 3 per cent to 1 per cent. Before the committee deals with this motion I invite hon. members to submit procedural argument.

**Mr. Deachman:** Mr. Chairman, would you read the motion again? Some of us did not hear it when the hon. member read it.

**The Chairman:** I will be pleased to accede to the request of the hon. member for Vancouver Quadra and read the proposed motion. It occurs to me that there is before the committee a government amendment that precedes this proposed amendment. Does the committee wish to deal first with the amendment of the government and then revert to the motion proposed by the hon. member for Regina East and deal with it?

**Mr. McCleave:** Mr. Chairman, we have had the government's amendments in our hands for some time, and I think that probably the amendments of private members on the opposition side should be dealt with first on this and other occasions.

**The Chairman:** For the sake of orderly procedure, does the committee wish to deal first with the motion proposed by the hon. member for Regina East and then with the government's amendment?

**Some hon. Members:** Agreed.

**The Chairman:** I thank the hon. member for Halifax-East Hants for bringing forward a good point. Now I will accede to the request of the hon. member for Vancouver Quadra and read the proposed amendment of the hon. member for Regina East:

That Bill C-259 be amended at page 282, line 7, by deleting the figure "3%" and substituting the figure "1%".

Amendment (Mr. Burton) negatived: Yeas, 10; nays, 59.

**The Chairman:** I declare the amendment lost. For the sake of procedural clarity I wonder if members of the committee now wish to deal with the amendment moved by the Minister of National Revenue for the Minister of Finance. The minister moved:

That section 109 as set forth in clause 1 of the said bill be amended by striking out line 37 on page 279 and substituting the following:

'(ii) dependent upon the individual for'

Is it the pleasure of the committee to adopt the said motion?

Amendment (Mr. Benson) agreed to.

**The Chairman:** Shall section 109 as amended carry?

**Some hon. Members:** Agreed.

**An hon. Member:** No.

**Mr. McCleave:** Mr. Chairman, I wish to indicate that this section is to carry on division. It contains conflicting parts, some of which we support and some of which we do not. It ought to carry on division.

**The Chairman:** Shall the section carry on division? Is that agreed?

**Mr. Caouette:** No, Mr. Chairman.

**The Chairman:** Would the hon. member please resume his seat? I understood the hon. member for Halifax-East Hants to say that the section would carry on division. Is it agreed that this section shall carry on division?

**Mr. Caouette:** No, Mr. Chairman.

**The Chairman:** Shall section 110 carry?

**Mr. Caouette:** No, Mr. Chairman.

[Translation]

**Mr. Caouette:** Mr. Chairman, before section 109 goes through, I would like to say a few words.

Even in an amended form, that section 109 under which exemptions will be \$1,500 for a single person and \$2,850 for a married person does not meet the requirements or even the wishes of the Canadian people. Indeed, the federal government itself admits that the minimum wage providing a decent standard of living is \$3,000. How can a government introduce in this House section 109, clearly stating that a single person will be taxed from \$1,500 up and a married person from \$2,850 up when we know that the minimum should be \$3,000?

That section 109 is directly in opposition to the policy stated in this House by the government. There is more and more talk about a guaranteed yearly minimum for every Canadian citizen.

Mr. Chairman, we moved amendments to the section before us and this afternoon my colleague for Bellechasse (Mr. Lambert) suggested raising the exemption to \$3,000 per year for a single person and to \$5,000 for married couples. The government ignored that. The Chairman says that it is out of order because we ask the government to take measures so that there would be fewer taxpayers, while the government itself says—

**The Deputy Chairman:** Order.