

*Income Tax Exemption re Old Age Pensioners*

give quite a bonanza to the people on top. This is true, but I would almost rather accept the resolution as it is than not do anything at all. The reason is that 60 per cent of the people of Canada who have qualified for the old age security pension, the non-means test one, have qualified for the guaranteed income supplement, and about half of those who have qualified for the guaranteed income supplement have qualified for its full amount. This tells a story of poverty and old age in this country that is even more glaring than anything the Senate committee has yet brought out. You do not have to go looking for it; it is right there in the statistics that 60 per cent of our people who are old enough to receive the old age security pension have been able to qualify for the guaranteed income supplement. This means they have been able to meet the means, or needs, or income test on that pension.

That is why I say that the important thing is to get some action. Let us not make the kind of mistakes that could be made, but I would rather make those mistakes and give a few bonuses where they are not needed, if that is the way we have to do it to get something done for those who really need help.

I return to my basic position. I think the thing to pick out of this motion, coming as it does after the white paper has been proposed, is the date the proposal would become effective—January 1, 1969. Let us ask for retroactivity, and let us not be satisfied with action two or three years from now. Let us, rather, call for action which will take care of these people during 1969 and 1970. I repeat the word I have used a number of times and again call for a moratorium on income tax for all persons in receipt of the old age security pension whose total income is below certain figures. I have already suggested the figures I have in mind.

Having said all that, I want to sit down in case there are others who want a minute or two in which to speak before a vote is taken on this motion. But may I remind the House that even after we have done these things in terms of the income tax legislation, even after we have tried to improve things for people in other ways, this does not fill the bill. The one thing that we have to do for our older people is increase their pensions. That goes for the old age security basic pension, for pensions to retired civil servants, for pensions to all federal superannuates and for pensions across the board.

[Mr. Knowles (Winnipeg North Centre).]

I am not taken in by the argument that these people have to wait until we have solved the problem of inflation, because in the meantime they are suffering more than those higher up the economic ladder. In my view it is time that we closed the gap between those at the bottom and those at the top, by raising the incomes of those at the bottom, without waiting to solve the problem of inflation. I am in favour of coping with it, but I do not think these people should be made to suffer while we wait. The main job of this Parliament in the economic field is to increase the pensions of our older people and the income levels of all our people, but in the meantime I support the proposal that something effective be done regarding the income tax situation, not just in 1971 and the years thereafter but by a moratorium that will be effective for 1969 and 1970.

**Mr. Murray McBride (Lanark and Renfrew):** Mr. Speaker, it is a great privilege to have at least a few moments in which to make some comments on the notice of motion that has come before us in the name of the hon. member for Fort William (Mr. Badanai). It is a double privilege because the hon. member is held in very high regard and has the affection of many members of this House, if not of us all. Therefore, I am pleased to support the motion that he put forward. It seems rather symbolic that the hon. member's motion should have come out first in the draw and that it should be the first one to be debated today.

Some people might say that since the Members of Parliament on the government side of the House tend to be youthful, they are interested only in young people. Some of the youngest people I know are very old in years, and I commend the concern expressed in the motion for the retired and those on limited and fixed incomes. This concern is demonstrated not only by the motion before us but by the actions of the Government of Canada, in particular in presenting the white paper on tax reform, which matter has been adequately covered by hon. members who spoke before me.

It has for a long time seemed to me that the two main problems in Canada are, first the ever decreasing farm incomes in rural areas, and second the problems facing pensioners, especially those retired from civil service. I think both problems are very urgent and demand equal attention. I hope that Treasury Board will be able to raise the pensions of retired civil servants, those who have given of themselves, of their time and of their years