

Income Tax

other service, on the other hand. We offered the government a means of restraint today and yesterday with respect to the Pickering airport. We have offered them a means of saving \$300 million. The government is not interested in that sort of restraint, so I am offering another one—not an outlay but a reduction of revenue from a very special class of people who have saved.

My other argument for putting forward this notion is that it would encourage the ethic of saving, which is a very valuable trait but somehow has fallen into disuse. Has the minister had an opportunity to consider, since I first put forward the notion, extending more benefits to people over 65; in fact, exempting them from income tax and all other taxes?

Mr. Turner (Ottawa-Carleton): Mr. Chairman, the revenue consequences of the hon. member's suggestion, with so many people over 65 in this country, would be quite considerable. I would call to the hon. member's attention the supplementary information issued on budget night, on page 17, which indicates what we have done, particularly over the last three years, for elderly people. As a result of the measures announced in the budget, a taxpayer 65 years of age or over may have as much as \$8,258 of income before paying any federal tax at all in 1975.

Mr. Munro (Esquimalt-Saanich): Make it more.

Mr. Turner (Ottawa-Carleton): This figure assumes a married couple, each in receipt of old age security payments of \$1,441 in 1975; one spouse also has some pension income as well as some investment income. The figure of \$8,258 is determined as follows: basic exemptions, \$1,878; net spouse's exemption, \$537; age exemption, \$1,174; spouse's age exemption, \$1,174; interest dividend deduction, \$1,000; pension deduction, \$1,000; standard medical and charitable deduction, \$100—total, \$6,863—exempt equivalent of tax cut, \$1,395; for a grand total of \$8,258. We have moved a great deal in the last two or three years to raise the taxable income up to which elderly people are exempt.

Mr. Munro (Esquimalt-Saanich): I thank the minister for that clarification. This is a step for which he and the government are to be commended. However, I suggest that more can be done for persons 65 and over. The tabulation, of course, is an oversimplification because it presumes that both the husband and wife are over 65, but it sometimes happens that one is 65 and the other is perhaps 60. I think the breadwinner at that age has to face—in fact, they both have to face—extra charges in terms of trying to maintain their home in habitable condition, which is a very high cost these days.

I hope the minister will for a number of years be capable of carrying out home repairs if they need to be done. But when he gets to age 65 he may find he is unable to climb a ladder to fix a hole in the roof, or to do some other things around the house. It is this sort of thing that our elderly are faced with, and they should be allowed to retain the income they have set aside for those special years in order to meet these charges.

[Mr. Munro (Esquimalt-Saanich).]

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I want to remind both the Minister of Finance and the hon. member for Esquimalt-Saanich that all this talk about what has been done to exempt elderly persons from income tax is of no help to those who do not receive enough income to be on the income tax rolls. The minister knows I am going to say this, but I say to him again that as a member of the cabinet, if he is concerned for elderly people he should be pushing for a very substantial boost in the basic amount of the old age pension.

Clause agreed to.

Mr. Paproski: Mr. Chairman, may we go back to clause 74 in order that it may be agreed to, thus dealing with matters in a more efficient manner and allowing the minister to continue?

Mr. Turner (Ottawa-Carleton): I remember that the hon. member used to be a "take charge" guy on the field, and now he is a "take charge" guy in the House.

The Deputy Chairman: Is it agreed that we return to clause 74?

Some hon. Members: Agreed.

Clause 74 agreed to.

On clause 77.

Mr. Stevens: Mr. Chairman, I have an amendment I would like to move with respect to clause 77. I move:

That subclause 77(2) of the bill be amended by striking out the figure "8" where the same appears in line 10 at page 195 and substituting therefor the figure "13".

I do not intend to make a lengthy speech on this amendment. I would only point out to members who are here that this is certainly not a typographical amendment such as the minister is proposing. My amendment would mean a tax reduction for the Canadian taxpayer of \$500 million.

• (1230)

Mr. Turner (Ottawa-Carleton): Mr. Chairman, I wonder whether the House has not already dealt with this 5 per cent tax cut in the amendment at second reading and, if the House has so dealt with it, whether the same issue can again be presented. I would argue and submit to Your Honour that the amendment is not in order for that reason, having been previously dealt with by the House on the same bill.

Mr. Baker (Grenville-Carleton): Mr. Chairman, this issue is too important to be subject to what I can only term specious legal argument. Because the minister has chosen to take this position with regard to the matter, let me say that the House of course dealt with it. However, the House did not deal with it in the terms of a clause of a particular bill such as is now before the committee. Although the outcome and the question could be the same, the procedures are different.

The committee should not be fettered, particularly in view of the fact that this bill will be reported back to the House, where it will again be dealt with by the House. I know of no precedent, and the minister has advanced none, with regard to this matter. My respectful submission