

I urge all Quebec members to vote for this amendment. What will the people of the Labelle and Frontenac constituencies think when they vote in the by-election next Monday? What will they think of their federal government if it votes against this amendment at this time? The people in the province of Quebec know there is a crisis. They feel it far more than I do in western Canada, and they want a deterrent. Mr. Laporte's life meant something to them. They wanted him alive, not mutilated and quartered as the hon. member for Don Mills suggested. I want every member in the committee to weigh that issue when they vote. Do we need more, or less, deterrence? I say we need more deterrence in this crisis situation.

**The Chairman:** Is the committee ready for the question?

**Some hon. Members:** Question.

Amendment (Mr. Laprise) negatived: Yeas, 27; nays, 72.

**The Chairman:** I declare the amendment lost.  
Progress reported.

### PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

#### FINANCE—SUGGESTED INTERIM INCOME TAX CHANGES TO ASSIST PENSIONERS

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, on Tuesday, November 3, as recorded in *Hansard* at page 825, I put a question to the Minister of Finance (Mr. Benson) in the following words:

—Having regard to the delay which is being experienced in bringing in over-all income tax changes, is the government giving consideration to an interim measure which would remove some of the anomalies and unfairness faced by persons whose only income is their pensions?

The reply of the minister, if I may paraphrase what he said, was to the effect that if any changes were to be made, they would be announced in the House in due course. That reply, of course, has been taped and computerized; we get it fairly often.

• (10:00 p.m.)

I am glad to see the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) here tonight to answer my question, and I look hopefully for a helpful answer. I trust he will not spend any time telling me that we must not deal with this problem simply by raising the income tax exemption levels on the ground that that does more for the rich than it does for the poor. I trust he will not assume that some of us do not know that. I trust he will realize that we are aware of tax credits and of other ways in which a problem like this can be solved.

#### *Proceedings on Adjournment Motion*

In my question on Tuesday, November 3, I referred to certain anomalies. May I indicate very briefly three such anomalies. First I mention the gross unfairness that is involved in giving to some of our old age pensioners a guaranteed income supplement, the purpose of which is to bring their income up to a certain level, and then turning around and taking some of that income away by taxing that bit of extra money. The Parliamentary Secretary can tell me that this applies in some cases and not in others. I am concerned about the cases where it does apply. I am concerned about retired persons who have their position improved on the one hand and downgraded on the other. This must be corrected.

A second anomaly relates to the fact that persons 70 years of age and over are allowed an extra \$500 income tax exemption which does not apply any longer at age 65; at least, it does not apply to anyone between 65 and 70 who is in receipt of old age security during any month in any calendar year. I know the arguments for and against all this, but the anomaly I would like to point out to the Parliamentary Secretary is clear and straight forward. There are people between the ages of 65 and 70 who have nothing else but their pension income—people who are retired, who are out of the labour market—and yet because they are in that age bracket their exemption level, for single persons, is only \$1,000. On the other hand there are people over 70 years of age who have income other than the old age pension, even people who have income from employment or income from investment. There are some in that age bracket who might have quite a lot of income and yet they are permitted an extra \$500; in other words, a total \$1,500 exemption so far as income tax is concerned. This I think is quite unfair, and it ought to be corrected.

I also think it is an anomaly, or a case of adding insult to injury, that pensioners, people who are on fixed incomes, have no opportunity to get an increase in their income to cope with the rising cost of living, and yet it is argued that because rules must have general application they cannot get an extra tax exemption or an extra tax credit. Precisely because their income position is fixed, precisely because they are denied some of the advantages that are available to those who are in the labour market, I think there is a case for different tax treatment of those people who are retired, those people who are on pensions only. I urge the government to give favourable consideration to this situation.

I know I repeat myself when I say to the Parliamentary Secretary: Don't come back and give me that line about the unfairness of raising income tax exemption levels because it does more for the rich than for the poor. It can be done by a system of tax credits. These pensioners of ours, our retired people, are having a terribly rough time today. They have to wait for white papers and legislation and for all the time it takes the government to deal with these matters. I think pensioners should benefit both ways. I have argued on previous occasions in favour of increasing the old age security pension to \$150 a month, and I shall continue to do so. They should also benefit through whatever can be done in the matter of tax changes in their favour.