that they are stuck with that at the moment because their financial critic supports that view. May I persuade in my usual kind and friendly fashion the Leader of the Opposition, the hon. member for Peace River and other colleagues of theirs—and this applies particularly to the hon. member for Edmonton West—that it might be a good idea to reconsider this matter. If this amendment were accepted, the reduction in tax for a married man with two children whose taxable income is $4,000, to use the figure used by the hon. member for Edmonton West, would be $40 instead of $1.09. If the man's taxable income is $5,000, his reduction will be $40 instead of $4.53. If he is one of those steel workers mentioned by the financial critic of the official opposition whose taxable income is $9,000, which means that his gross income would probably be around $12,000, his reduction will be $40 instead of $20.55. It seems to me that a man's taxable income would need to be somewhere around $12,000 or $13,000 before he could reach that $40 limit.

• (4:40 p.m.)

Surely that would cover all the low and middle income people, be they steelworkers, clerks, or what have you. At the other end of the scale, the reduction for a person whose taxable income is $30,000 would be $40 instead of $152.34, and the reduction for a man with a $100,000 taxable income would be $40 instead of $757.70. I am certain, Mr. Chairman, that my good friend from Halifax-East Hants would like to reholster his gun, rise to his feet and say that, having had second thoughts, he agrees with our position. Possibly the present misunderstanding is our fault, because we did not initially explain our position adequately. We did not tell the committee what the import of this amendment would be. My colleague for Oshawa-Whitby tried to keep his remarks short, to enable us to get through this stage quickly. I hope, after having had second thoughts, that the members of the official opposition will decide that this amendment is worthwhile after all and that it is not financially irresponsible.

Our research people have advised us that this amendment will not involve any greater financial loss to the treasury than the proposal as it reads at present. I hope my arguments will persuade the people on this side of the House. I also hope the Secretary of State for External Affairs will convince his side of the House of the merit of our position, because the point of view that he held a few short years ago coincides exactly with the point of view expressed in this amendment. I do not think the official opposition should object to the amendment; after all, it will provide for our middle and lower income people a substantially greater tax reduction than would be provided by the present bill. At the same time, the cost to the treasury will not be any greater. Surely the parliamentary secretary can tell us why this course is less appropriate now than it was on an earlier occasion.

Mrs. MacInnis: They are financially irresponsible.

Mr. Benjamin: I will leave the matter of corporate tax cuts until we come to clause 4. At present we are dealing with clause 3. Surely, in terms of income tax reductions, our proposal is far more appropriate than the government's proposal in the legislation.

This amendment would accomplish exactly what the government wants to do, namely to provide money for those in the lower and middle income groups. They are the consumers who would benefit most from this legislation. I am surprised that the government have not used the method we suggest. Have they discussed it? If the Secretary of State for Esternal Affairs would just move over a couple of seats and whisper words of advice in the ear of the parliamentary secretary, I am sure he would have some chance of convincing the parliamentary secretary that the amendment should be accepted. The government at a later date will be glad that the amendment has been accepted, and we shall be happy if the government takes credit for this idea. My main reason in speaking was to point out the advantages of our suggestion to the official opposition in particular. I ask them to think again about the results the amendment would bring, if accepted.

Mr. Kaplan: Mr. Chairman, I had hoped that if I remained silently in my place this afternoon, other hon. members would also show the same restraint and that we might do our duty and complete dealing with this legislation. However, as I sat here and listened to the NDP filling up the pages of *Hansard* this afternoon with their clap trap, I thought I had better put some of my own clap trap on record, and that is what I intend to do.

That party launched its argument on the false theory that a tax reduction is the key to eliminating poverty in Canada. I listened to the hon. member for Vancouver-Kingsway telling us about conditions of poverty in this country, and everyone concedes that they were valid observations about our society. But I suggest that the idea of tax reductions reaching or even affecting people who live in the conditions she described is wholly unrealistic. You cannot, even by reducing taxes by $40, which is the maximum that that party proposes, hope to alleviate the conditions of poverty that she describes. The elimination of poverty is one of the national priorities of Canada, but it is not to be brought about either by tax reform or tax reduction.

I want to look at the tax reduction package and offer what I understand to be the reasons for it. Let me say why I think the government proposal is the only sensible way to do this.

The purpose of this tax reduction, as I understand it, is to stimulate the economy. We should try to create more jobs in Canada and eliminate some of the uncertainty in this country with regard to our economic future. Tax reductions are, it is thought, one way of doing that, but you cannot eliminate poverty with one piece of legislation.

There are a number of ways of stimulating the economy and creating jobs, and one of them, certainly, is by increasing the purchasing power of Canadians, particularly of Canadians who use a large part of their income for consumption. That is the characteristic of low-income people. Therefore, it was thought important to offer tax reductions to people who would put the money they gain back into the economy. That is being done through this measure.

Mr. Benjamin: That was exactly our point.

Mr. Kaplan: That is right, and that is being done through this piece of legislation.