

municated with me, to express their approval of the legislation now before us.

Of great concern to them was the five-year revaluation of shares in widely held corporations. The Oakville Chamber of Commerce, in a letter to me, expressed the view that this proposal would have been both discriminatory and punitive. Obviously, the owners of the literally hundreds of smaller type businesses in the community were greatly concerned with the elimination of the preferred rate of tax. Another concern was the proposed capital gains tax on the appreciation in the value of homes. Many other letters registered a protest of the proposal to increase the tax on earnings ranging from \$10,000 to \$20,000 a year. The estate tax was of special concern, and I stated in this House that in the event a capital gains tax was imposed, the estate tax should be substantially reduced or abolished.

• (4:30 p.m.)

In the legislation before us, each of these items has been dealt with. During the white paper furor, the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. Benson) both stated on innumerable occasions that the white paper was presented for public scrutiny, consideration and suggestions, and the consensus would be incorporated in legislation. I am proud my constituents believed the Prime Minister and the Minister of Finance and were willing to take the time and make the effort to contribute to the formation of Canadian tax laws that are both practical and acceptable. The Minister of Finance has come close to contradicting Edmund Burke's dictum "To tax and to please no more than to love and be wise is not given to man".

Following the presentation of the budget, the leader of the NDP made the critical comment that still larger concessions should have been made to the poor, having in mind equity, fairness, and ability to pay. I say this government has done a great deal in its proposed tax legislation to accommodate the less fortunate Canadians, but we must also remember that equity and fairness are words equally applicable to those Canadians who, because of enterprise, hard work, taking of risk, and education, have advanced themselves and this country's productive capabilities. These are the people who generate the new jobs which are, and will, be needed to eliminate unemployment.

I believe that the government has gone as far as it could at the present time, keeping in mind that there will be opportunity to do more. The government has shown leadership in alleviating the present economic problems, but it is only one player in the game. Can we look forward to labour doing its part? Have our workers benefited from wage increases exceeding productivity? I think not; not as long as we hear complaints from the majority of citizens that the cost of living increases faster than their earnings and not as long as these increases so terribly affect the low wage earner and our senior citizens. We certainly cannot say that more went into the pockets of business since it is a fact that return on investment generally has declined considerably over the past ten years. Can we, now that government has shown

that it will do its part, look to the other players in the game to do theirs?

Last week was senior citizens week in Ontario, Mr. Speaker, and it was fortunate that the Prime Minister was able to meet and talk with a group of them during his visit to Oakville and Bronte in my riding. There are several things in the budget which are of significant interest to our senior citizens. Many now think that the sole improvement in their situation will be an extra deduction of \$150 derived by raising the present exemption for people 70 years and over from \$500 to \$650. The actual increases in exemption are not \$150, but amount to at least \$650 in the case of a single taxpayer and \$1,000 in the case of a married couple. In addition, the age limit has been lowered to 65 from 70 years.

A further and very important point is that the guaranteed income supplement of up to \$55 per month to single persons and \$95 per month to a married couple will no longer be taxable. The government also decided that effective July 1 of this year, no tax will be levied on taxable income of \$500 or less and that taxes be generally reduced on taxable incomes up to \$3,000. In addition, the government has also done away with the 3 per cent surtax effective July 1 of this year.

As an example, a married taxpayer having no income from employment but income from pensions and guaranteed income supplement of \$3,776 at present pays \$285 in taxes; under the tax reform there will be no tax payable. A single taxpayer having an income of \$2,144 at present pays \$159 in taxes, but there will be no taxes payable in the future. I think that these tax considerations show a regard on the part of the government for our senior citizens, most of whom are on a fixed income and are deserving of everything that can be done to make their years a pleasure and a reward for past accomplishments.

There are one or two points I would like to bring to the attention of the Minister of Finance. The first concerns retirement savings plans. The maximum contribution in the new legislation is \$4,000 or 20 per cent maximum of earned income. The amount previously was limited to \$2,500, or 20 per cent of earned income. Because of this 20 per cent limit, the effect is that a taxpayer with an earned income of \$12,500 under the proposed tax reform is still limited to a \$2,500 maximum contribution, as he was under the old system. The only taxpayers benefitting from this change are those individuals having earned income between \$12,500 and \$20,000. I wish to suggest that the percentage limit be dropped altogether, or failing that, be increased to 33½ per cent of earned income. In fact, I question whether this formula should be applicable to earned income only, rather than to income from all sources.

I raise this question with due understanding that I may not be aware of all repercussions that could arise from this proposal, but being aware of the fact that there are Canadians, sufficiently thrifty and individualistic, who wish to provide in good measure for their retirement. Although I understand that such measure may tend to reduce the propensity to consume, it however tends to increase capital for the expansion of Canada, particularly