

*Income Tax*

**Mr. Blenkarn:** Nonsense. All you have done is ruined the capital markets. Wake up! It is never \$75 million.

**Mr. Cosgrove:** That can be used to great advantage by the Government.

**Some Hon. Members:** Oh, oh!

**Mr. Cosgrove:** This I have illustrated. I have given you the \$100 unit and shown how that difference is accounted for. I have given you the best analysis of the Government as to the result according to our best calculation for over a year, producing a revenue drain of \$75 million.

**Mr. Lambert:** To a socialist, that makes sense.

**Mr. Cosgrove:** We got into this discussion on equity and fairness. If the tax system for all Canadians is to be fair, it should treat all Canadians in the same or parallel manner in terms of the way in which they invest money.

**Mr. Lambert:** That is the socialist way.

**Mr. Cosgrove:** There is no fair treatment if, for example, you treat deposits, GICs, or bank accounts differently from the deferred annuity, which was becoming very popular. It was a way of extending the Government's program. The provisions of the Act passed by this Parliament, allowing a deduction of \$5,500 on the RRSP contribution was designed to be available to all Canadians. In fairness, we said if that plan is available to all Canadians, that is a way in which we can give a break and an incentive to Canadians to provide for their own retirement. But then people began adding the deferred annuity to the plan. They were getting around that provision and taking unfair advantage by, in effect, extending the RRSP deductions by the vehicle of the deferred annuity. But that is only available to those Canadians who have the resources to add on to the \$5,500 deduction and to those financial institutions that are in the business of annuities. It was for that reason, to treat all Canadians fairly and all sectors in the economy, financial institutions and businesses in the same way under tax law, that the changes were introduced. That is the basis. First, fairness to Canadians who are in receipt of income. Second, fairness to all different types of financial institutions so that they, in the marketing of their products, are treated equitably and, in other words, comparably, by the income tax system.

**Mr. Blenkarn:** It is absolutely stupid.

**Mr. Lambert:** Mr. Chairman, now we are getting down to the philosophy behind those changes. With all due respect to the Hon. Member for Kamloops-Shuswap, it is pure socialism this Minister is going after, straightforward socialism. He talks about taxpayers having an advantage. It is the same as was proposed last summer by the officials, that the owner of a small business should be in the same position as a man on salary. There is no difference as far as the income tax return is concerned. That is why there was a proposed increase in tax on the small business dividend. But the Minister and his officials have lost sight of the reason why we had deferred annuities and annuity plans. People were saving up, people were denying

current spending. In other words, they were not living right up to the collar so they would have a greater income after retirement or when they needed it. I know that today, in the eyes of a lot of people that is a strange philosophy. One is supposed to come to the state with holes in one's trousers, pockets empty, and say: "Here I am. I have drunk it. I have spent it. Now keep me."

**The Assistant Deputy Chairman:** I must inform the Hon. Member that the 20 minutes allotted to him have expired.

**Mr. Lambert:** Mr. Chairman, I will object to that. I have not spoken for 20 minutes. Speaking is not cumulative. Speaking is at each interval. If I am interrupted or I yield the floor to another Hon. Member, I get another 20 minutes. My time is not cumulative at any one time on any one Clause. Therefore, I have been speaking for about three minutes only at this particular time.

**The Assistant Deputy Chairman:** Order, please. I fully appreciate the Hon. Member's comments and concern for his speaking time, but it has been the practice in the House in Committee of the whole, I am informed going back to 1975, that Hon. Members' time is calculated on the basis of comments they wish to make, the Minister's response and debate continuing for a period of 20 minutes each.

The point raised by the Hon. Member for Edmonton West is quite valid strictly speaking according to the Standing Orders. But the Chair in this instance is being guided by the ongoing practice since 1975. Of course, I would not want to treat an Hon. Member differently from another Hon. Member. It would be sheer pandemonium if I were to give one Hon. Member more time than is accorded by the practice in place in recent years and treat another Member differently, guiding myself strictly by the provisions of the Standing Orders. We are in Committee. Members may wish to indicate in which fashion they prefer to proceed. This morning and in recent days the Chair has been guided by the practice put in place since 1975.

**Mr. Riis:** Mr. Speaker, while I take some exception to my hon. colleague's introductory remarks, I do feel he is pursuing a very valid point. Knowing from his past performances that he would likely respect a short extension in order to allow him to complete his remarks, our Party is quite prepared to give him our share of the unanimous consent so that he can finish his remarks.

**Mr. Cosgrove:** Mr. Chairman, I would agree with that sentiment. The Hon. Member for Edmonton West has long experience in the House. I think we would be advantaged if he continued the point he is making. I would go further than that. The Hon. Member said that he thinks now the discussion is linking up. He believes he has identified the difference between the approach of the philosophy of the Government and that of himself. I would appreciate his concluding his remarks on that issue by addressing the point made in the *Financial Post* of