

The Budget—Hon. Mr. Lambert

being here. A lot of them are on committees and for that reason are not here. I am sure they would all—

Mr. Deputy Speaker: Order, please.

Mr. Knowles (Winnipeg North Centre): Are 140 of them on committees?

Mr. Deputy Speaker: Order, please. The hon. member for Edmonton West.

Mr. Lambert (Edmonton West): The hon. member has a certain nickname around here and frankly it comes from being trigger-happy. I was actually mentioning the names of those hon. members to say that I would not read from *Hansard* extracts of what they said in the House because they are not now present. I was going to extend them that courtesy. There are no committees sitting at the present time.

An hon. Member: He doesn't know that.

Mr. Lambert (Edmonton West): It does not matter but because they are not here I was not going to read what they said. The hon. member should turn to matters more serious and let us have points of order only when they are required.

Now let us look at the background of tax reform. I should like to comment on some of the statements I have heard on the air and read in the press during the last few days. We have had some what I call "airy-fairy" statements to the effect that this is not really tax reform, that it is to be dismissed. I think I have heard more nonsense at other times in the past, but I cannot remember when. Some people say that after ten years this is the most that was produced. Certainly it is ten years since the Carter commission was established to look at the matter of reform of the whole tax system and, to its credit, that is what it did. It made references to estate tax, gift tax, sales tax, excise tax, income tax and the responsibilities of sharing between the federal government and the provinces. So far we have seen changes in estate tax and gift tax and two years ago the House exercised itself a great deal on that. We now have some changes in regard to income tax but frankly I was disappointed when the minister indicated that he was not doing anything yet about the sales or excise taxes which are the consumption taxes.

When looking at tax reform we are looking at the total package of taxes that have to be paid by John Q. Citizen. If the minister persists in saying that we are not going to look at excise tax and those other taxes until some indefinite date in the future, then I say he is falling down on the job of tax reform. It is nonsense to tell an old age pensioner who now pays tax about the removal of tax on a portion of the guaranteed income supplement and that he will not pay any income tax at all. Some did not pay any at all before.

An hon. Member: They did.

Mr. Lambert (Edmonton West): Not in all cases. The hon. member is off the beam there.

[Mr. Gibson.]

Mr. Gibson: No, he is not; he is right.

Mr. Lambert (Edmonton West): It depends on age. If the hon. member for Hamilton-Wentworth knew what was in the act he would know that after age 70 they do not pay. For those people who did not pay tax there is obviously no relief in the change. That means that we have to look at the sales tax in order to give them some relief on the basis of their ability to pay.

An hon. Member: None.

Mr. Lambert (Edmonton West): This is part of it. What relief can be given them on their share of municipal taxes?

An hon. Member: Absolutely none.

Mr. Lambert (Edmonton West): That also is part of the ability to pay. If we are to use the principle of tax equity being ability to pay then we must look at all sectors of tax, and that is what I say tax reform is. Other people say that this was a puny answer to tax reform and that tax reform is limited to income tax. In other words, some people think that you can have equity between taxpayers. That is impossible in this country and anyone who suggests otherwise is not aware of our financial and economic requirements. It is absolute nonsense to talk about equity between taxpayers or within the income tax system. There are discriminations all along the line and some have even been introduced now. For instance, unemployment insurance benefits will be taxed on the principle that this is a form of income. But why stop there and not tax strike pay? If unemployment insurance benefits are equivalent to salary, surely strike pay is as well. There is discrimination here, but I do not hear any of the great advocates of equity speak on these things.

Many of the critics do not know what it is to labour to put together a business, to worry about payrolls, about financing inventories and the possibility of going broke and so on. Most of them merely draw a salary from somewhere and let somebody else worry about the money coming in. I would love to see some of these people who talk about equity and absolute neutrality among taxpayers go out and try to even run a corner peanut stand. We would then have our answer.

• (12:30 p.m.)

There is another point in so far as the tax system is concerned and that is that academics—tax experts, economists, chartered accountants, you name them—can each and every one set up some sort of a tax system. They can argue until they are blue in the face and close to suffering apoplexy. That is another tongue twister. They suffer terribly if one suggests that equity is no go. The people to whom it is to apply will not accept it. That is the same sort of underlying philosophy on which you can devise a tax system, provided it is clear that those people who are going to be taxed accept it. We do not live in that kind of a country and I hope we never do.

The people of this country will decide what kind of a tax system they are going to have. We have a classic