

*Income Tax Act*

thereby increasing demand for services and for products, which will have an immediate spin-off effect in terms of increasing the demand for labour and therefore contributing toward the reduction of our unemployment levels.

By passing the same amount of money to higher income groups, as I argued earlier this afternoon, there is much less likelihood of that income being spent in the early future and acting as a stimulus to the economy. In fact, normally it would just be lodged in a bank or invested in some stock and soon its impact in creating jobs would not be felt. Therefore, I urge that all members present give serious consideration to this amendment because in terms of equity and economic stimulus to the economy it would be much more effective than the measure proposed by the government.

**The Chairman:** The Chair has for consideration the amendment moved by the hon. member for Oshawa-Whitby. Of course, the Chair will recognize other hon. members who wish to speak to the amendment. I do not believe the amendment is out of order.

I think that essentially the hon. member has complied with the considerations which the Chair must give to an amendment of this type. The amendment is relevant to the bill. It does not propose to increase the incidence of taxation upon taxpayers. In effect, the amendment would reduce taxation. The only hesitation that the Chair has is whether the hon. member in the latter part of his amendment, by in effect limiting the reduction in taxation, seeks to change the incidence of taxation on Canadians who are required to pay taxes. I do not hold this view too strongly and I mention it only as a question with which hon. members might wish to deal. However, if there is no objection the Chair is prepared to put the motion.

**Mr. Knowles (Winnipeg North Centre):** Perhaps I should not interject at this point, Mr. Chairman, since you are in agreement. Let me merely point out that it is the same as the ruling that was given on December 23 last.

**The Chairman:** Is there any other hon. member who wishes to speak on the procedural acceptability of the amendment? Is the committee ready for the question?

**Some hon. Members:** Question.

Amendment (Mr. Broadbent) negatived: Yeas, 19; nays, 33.

**The Chairman:** I declare the amendment lost. Shall clause 1 carry?

Clause agreed to.

On clause 2—*Deduction in computing tax otherwise payable.*

**Mr. Lambert (Edmonton West):** In connection with the proposal with regard to corporations, it must be remembered that when I refer to corporations I do not disregard the individual and his wife or the two-man company which is incorporated. This provision applies to corporations all the way from the smallest to the biggest across the country. I have no inhibitions with regard to the word "corporations" as my friends to the left have. They think that anything that is named a corporation or that qualifies

[Mr. Broadbent.]

as a corporation should be put to death or taxed to death. They say they do not want to put it to death but they will tax it to death, and rather than kill it outright they will just strangle it. At that point my colleagues and I part company, if we ever had company, with these people.

As a matter of fact, in light of the remarks I made this afternoon and that I have made in the past I would have preferred to see a 10 per cent cut in this provision, with a longer period, because frankly the minister is indulging in this one-shot business during an election year and is thus trying to fool the people. The former minister of finance indulged in something of this kind. Perhaps I would not call it misleading of the people because I do not think he could deliberately undertake anything like that, but he certainly misled the people when he said on the night of October 14 that this, in effect, meant a 10 per cent cut in corporate income tax as of July 1. Of course, that was the most blatant misrepresentation that one could make in this House. The surtax had been increased and added to in December because it was supposed to be a worth-while tax measure to bolster government revenues and to keep the economy on an even keel. Six months later, to the accompaniment of great clapping and slapping of desks by government backbenchers, the surtax came off. Everything was fine.

• (2030)

**Mr. Mahoney:** Whoa, Marcel!

**Mr. Lambert (Edmonton West):** Everything was fine.

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

**Mr. Lambert (Edmonton West):** Yet within about five months—Mr. Chairman, sometimes you have to pitch your voice a little louder to get through thick ears.

**Mr. Lefebvre:** Especially when you don't have too much to say.

**Mr. Lambert (Edmonton West):** Let the hon. member get up and make a speech on taxes.

**Mr. Lefebvre:** If I can't make one better than you, then I won't.

**Mr. Lambert (Edmonton West):** I know the hon. member can't say anything, for he never speaks. We will see what he is going to do tonight. I suggest that it was totally wrong for them to speak as they did in June. This was demonstrated in October by the then minister of finance. Yet, as I said earlier today, both sets of proposals received the same amount of clatter and clapping from government backbenchers. And why, Mr. Chairman? Because it is the thing to do.

I would have much preferred meaningful action to have been taken in June in regard to this matter. As a matter of fact, in December of last year we spoke and voted against the imposition of the surtax. The government was told that its action was wrong. It was demonstrated to be wrong by the action taken six months later, and it is now shown to have been doubly wrong by this proposal of a 7 per cent reduction limited to January 1, 1973. That limitation is questionable. I fail to see how they think that