

*Income Tax Act*

It would then be quite fair, as the amendment suggests, to reduce the rate from 17 to 2 per cent. I therefore approve this amendment without any qualification.

[English]

**Mr. Gilbert:** Mr. Chairman, the amendment of the hon. member for Winnipeg North Centre is so clear, concise and convincing that I will restrict my remarks this afternoon. I was impressed by the hon. member's amendment, as well as by the argument in support, presented by the hon. member for Waterloo and the hon. member for Oshawa-Whitby, for the reason that the amendment contains within it the principle of universality. If there is one principle that ought to be applied today in these matters, it is the principle of universality. In the past we have got into great trouble in the provision of certain programs because we attempted to get away from the principle of universality. Here is an opportunity for us to apply this principle across the board to all Canadians.

I am sure that past objections of the parliamentary secretary to the effect that the tax credit system was difficult to impose have been cleared away as a result of the amendment that was brought forward yesterday evening by the hon. member for Winnipeg North Centre. The parliamentary secretary has always suggested that implementing the tax credit system would be too difficult. If we implement a tax credit system, we shall give some recognition to the late Mr. Carter, who was responsible for the Carter commission report. We shall honour him, because one of the fundamental recommendations in the Carter report related to the implementation of the tax credit system. In such a system Mr. Carter saw enshrined the principle of equity and fairness. That principle would apply to all Canadians. So, Mr. Chairman, I think we ought to honour and respect the man who has tried to bring about equity and fairness in our tax system.

I think Mr. Carter might be sadly disappointed if he were here today, because we are not adopting one of his suggestions, namely, that we reduce the personal income tax rate from 80 per cent to 50 per cent. That suggested reduction was based on the premise that we would also include in this bill two other major principles of taxation, one being the principle of a full capital gains tax and the other the principle of integrating all incomes that a person receives. We have sadly deviated from the principles laid down by Mr. Carter.

At present we have the opportunity to implement the tax credit system. I hope some members of the Liberal party will speak in support of this principle. Thus far, the debate with regard to the reduction of 15 per cent, or the reduction of \$75 across the board, has been carried by members of the opposition. I was happy to hear the hon. member for Edmonton West support the principle we support, Mr. Chairman. He is the first lawyer I have known who, in a 20 minute speech, could speak for 15 minutes against the principle and for the last five minutes in favour of it. Perhaps as he looked skyward and saw the lights in the ceiling of the chamber he saw the light of conversion on the road to Damascus, so to speak.

**An hon. Member:** Hallelujah, brother.

**Mr. Gilbert:** I was rather happy to hear what he said in the last five minutes of his speech. He was under that

[Mr. Matte.]

divine direction which gave him insight, foresight and the necessary articulation for supporting this amendment.

**Mr. Lambert (Edmonton West):** Mr. Chairman, may I ask the hon. member a question? I wonder if the hon. member for Broadview has had the patience and opportunity to read from the earliest committee reports of the examination of government officials and the minister on the white paper and the advocacy then of the hon. member for Edmonton West for the tax credit system?

• (4:20 p.m.)

**Mr. Gilbert:** I am very happy the hon. member has come around to supporting our position. It really does not matter which party brings forth an amendment to implement the tax credit system. The important feature is that it is brought forward. We in the New Democratic Party brought it forward. We are very proud and happy that the hon. member for Edmonton West is supporting this principle.

Yesterday the Minister of Finance for Ontario recommended, on behalf of the province of Ontario, a tax credit system. He indicated the unfairness of the present system to people in the lower income brackets with regard to sales, property and income taxes. Maybe we will be able to persuade the adamant, stubborn parliamentary secretary that this proposal is fair. He shakes his head. This indicates that he opposes the tax credit system. Is it any wonder that we in the opposition become so frustrated when the government takes this position?

I notice the hon. member for Scarborough West is in the chamber this afternoon. He is a brilliant economist who supported Walter Gordon. He is known as one of the whiz kids of Canada with regard to economic theories. I invite the member for Scarborough West to state why he, as a member of the Liberal party, will not support this amendment. I would like to hear his explanation. As I said in my opening remarks, it is only the members of the opposition who have participated in this debate. The parliamentary secretary has sat back and smugly waited for us to fall by the wayside.

It has been pointed out that the hon. member for Don Valley has not participated in this debate. He comes from the affluent society, the upper middle class of Don Valley. I would like to hear what he has to say with regard to the impact of this amendment on the people of Canada. If I thought he would get up and speak, I would immediately sit down. I am attempting to persuade him and the member for Scarborough West, both men who have had experience in the field and know what the impact will be, to get up and let the people of Canada know just what is wrong with the amendment proposed by the hon. member for Winnipeg North Centre. This amendment has been described as brilliant. I agree. At the beginning of my remarks, I said I would be brief. I have been very brief. I resume my seat on the assumption that some Liberal members will either speak for or against this amendment.

**Mr. Ritchie:** Mr. Chairman, I wish to say a few words on this amendment. It has considerable appeal. I wish to add a few ideas on the averaging formula in the bill and its relationship in the future.