

member will bother to read the provisions in this speech, or in the tax bill, and find out all the detail of how that industry is going to be driven to the wall by these particular provisions—

An hon. Member: What about Lougheed's royalties?

Mr. Lambert (Edmonton West): The hon. member shows precisely the type of ignorance that is so prevalent in central Canada—

An hon. Member: New Brunswick.

Mr. Lambert (Edmonton West): The hon. member knows nothing about the oil industry. He asks what about the answers of Premier Lougheed with respect to royalties. He will understand that the federal government was taking everything over \$6.50 out of every barrel of oil. And when we are looking at oil we are not looking at old oil, we are looking at the cost of producing new oil, but the federal government is skimming off \$6.50 for its own purposes. It is doing this simply to make equalization payments, admittedly to eastern Canada, but not to the producing provinces. Those provinces get nothing from it. There was a welsch on the January deal. There was a welsch on March 27, and the Minister of Justice knows it. Certainly I agree with the priority pricing. The suggestion for it came from this side in the first place.

An hon. Member: All the provinces agreed to it.

Mr. Lang: What about the Arab price?

Mr. Lambert (Edmonton West): But that price is there. The minister is trying to counter that in order to protect people who would have been in better shape if this administration, five years ago, had built that pipeline. That pipeline would now have been in place. But no, it was not going to be built. That pipeline is not going to be built, despite all the protestations and those great statements by the Prime Minister and the Minister of Energy, Mines and Resources with regard to that pipeline.

I have spent enough time on oil, I think, for tonight.

An hon. Member: Right on.

Mr. Lambert (Edmonton West): I will suggest to hon. members from Quebec that they look at this very carefully. I will repeat that today it is our turn in western Canada. Tomorrow it may be their turn.

[Translation]

Mr. Pelletier (Sherbrooke): Why not go and say that in Quebec?

Mr. Lambert (Edmonton West): Mr. Speaker, I will say it, and I have said it several times.

Mr. Pelletier (Sherbrooke): Where?

Mr. Lambert (Edmonton West): At different places, on television, on radio.

Mr. Pelletier (Sherbrooke): Where in Quebec?

Mr. Lambert (Edmonton West): I need not say it. Invite me and I will say it.

Income Tax

Mr. Pelletier (Sherbrooke): You will say it?

Mr. Lambert (Edmonton West): Yes.

Mr. Pelletier (Sherbrooke): Come to my place. Come in my riding.

Mr. Lambert (Edmonton West): I do know the facts, while you, you don't know them.

[English]

In so far as the personal income tax proposals are concerned I think that the minister has moved in the right direction. However, because the tax scheme set up in 1971 was on a scale which was just completely and utterly divorced from any degree of reality in these times of inflation, the returns to the government on personal income tax are escalating beyond the wildest dreams of any minister of finance. My colleague from York-Simcoe (Mr. Stevens) put them on the record last week. We can see the increases from the pages of the budget speech, which are higher than the increase in the cost of living.

No one can tell me that high rates of income tax are not inflationary. Ask any negotiating officer on behalf of any union today. Let the minister ask his colleague, the President of the Treasury Board (Mr. Chrétien); let him ask the Postmaster General (Mr. Mackasey) who is now negotiating with the postal workers. Tax as represented by inflation is immediately passed on to management, and on into costs. We see it reflected, as hon. members who own their own businesses may know, in an economic crunch.

The Minister of Justice, although he is not a practising lawyer, knows that as soon as lawyers have to pay more income tax they insist on increased take home pay. What have we seen amongst doctors in this country, and with all the teachers? Due to inflation they go into higher income brackets and pay much more tax.

Mr. Nystrom: And members of parliament.

Mr. Lambert (Edmonton West): And somehow the same will happen in this house. They will look to the net position. It is not unnatural. The minister would do a great deal to remove some of the impetus in the inflation psychology if he did something more on the side of personal income tax.

We have the tables on the basis of what the minister projects. Even though for 1975 he increases the personal cut to 8 per cent with a minimum of \$200 and a maximum of \$750, has the minister calculated what the increase is going to be in the total collections under personal income tax on the basis of his projections? He still has a cushion of something like 16 per cent or 18 per cent. That includes, for the first time this year, indexing and that indexing is at 10 per cent. If we took that 10 per cent and added it to the income, if we took those tax cuts the minister proposes and added them on, what would be the yield to the minister in personal income tax? My God! There are not enough strongboxes in this country to hold all that cash. Talk about 50 per cent increases. That would be one right there, right on yield in one year.

Mr. Nystrom: Social Credit in practice.