

*Income Tax Act*

Sir Stafford Cripps—I must be careful with the name—said that all the bureaucracy that was hired by the Labour government that came to power after the end of the Second World War was engaged in economic production. Of course, he was the greatest of the dreamers and of the bureaucrats, and the whole system fell like a house of cards pushed by a child. Why, Mr. Chairman? Because it only took a child to knock out so many of the things that were set up under those wildly idealistic, theoretical dreams that had been dreamed up over the years by people in books and by others—and none of them had ever run a business, none of them had ever faced the need to finance inventories, none of them had ever faced the problem of meeting a payroll.

**An hon. Member:** The hon. member for Waterloo did.

**Mr. Lambert (Edmonton West):** The hon. member for Waterloo may have, but he was not then a dedicated member of the NDP. Since then he has sold out, so that he does not need to worry.

**An hon. Member:** He sold out in more ways than one.

**Mr. Saltsman:** That is not true.

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

**Mr. Lambert (Edmonton West):** He no longer runs a business.

**Mr. Saltsman:** The hon. member should say what is correct and get the facts straight.

**Mr. Lambert (Edmonton West):** He no longer runs a business successfully.

**An hon. Member:** Move two seats to the right, Max.

**Mr. Lambert (Edmonton West):** You know, this is funny. I always find that the NDP are awfully good at telling other people how to run their business. For themselves, however, they do not apply the same rules.

• (9:00 p.m.)

**An hon. Member:** Is that true, Max?

**Mr. Lambert (Edmonton West):** They are arch capitalists. They abide by the orthodox rules. They work hard. I do not deny that when the hon. member for Waterloo was in business, he ran close to having ulcers. His blood pressure was up and he had sleepless nights.

**Mr. Saltsman:** That started when I came here.

**Mr. Lambert (Edmonton West):** He made money, Mr. Chairman.

**An hon. Member:** He made millions.

**Mr. Lambert (Edmonton West):** He kept people operating. He provided jobs.

**The Assistant Deputy Chairman:** Order. The hon. member for Waterloo is rising on a question of privilege.

**Mr. Saltsman:** I am sorry I have to rise on this question of privilege, Mr. Chairman. While the remarks of the hon. member for Edmonton West are very interesting, I hope

he will confine his comments to the subject before us rather than a Dun and Bradstreet evaluation of my affairs.

**The Assistant Deputy Chairman:** I think it is the function of the Chair to decide that.

**Mr. Lambert (Edmonton West):** The only reason I am spending an unduly long time on my friend, the hon. member for Waterloo, is because of the extent of the affection which the House has for him.

**Mr. Lewis:** Don't be jealous.

**Mr. Lambert (Edmonton West):** The hon. member told us that the conduct of small business by Canadians under a system that has been in existence for over 20 years, and certainly at the present level of income tax at \$35,000, 25 per cent, a two-tier system for 11 or 12 years, if my memory serves me right, has been wasteful from the point of view of the national economy. We have not heard too much about how he would replace the present system, what incentives he would give to small business and how the system he advocates would provide even one more job. After all, the hon. member must be concerned about jobs. The hon. member for Laurier knows that. He argued the same point. He maintained that same point of view in the finance committee.

This country runs on the jobs that are provided. People are interested in jobs. They want a new job or a proper job in order to provide a roof over their head, enough food for their family and some return for the future. This is what the ordinary individual is concerned about. I do not care whether he earns \$50,000 a year or \$5,000 a year, depending on his capabilities—we all have that same philosophy. This is what we must devise as the groundwork for a tax system, one that is based on incentives.

Man is a curious individual. Maybe I am subjective on this. I always work better with a carrot, some incentive or goal ahead of me, rather than the restrictions and disencouragements of strict regulations and so forth. Incentive is what we must have in Canada. After all, we are not only competing on the national scene but in the international market place. This is becoming tougher and tougher. This bill is full of disincentives; nothing more is contained in these sections on corporations. I have been going over the group of sections that Your Honour's sharer of the chair read to us as being the subject matter of today's discussion. I think that less than 50 per cent of the sections are new. Most of these are headed "tax on" or "additional tax on". Bearing in mind the various ramifications, it is almost impossible to pick out any sections that are carried forward from previous legislation.

I have been able to come up with eight or nine sections which I will be prepared to discuss with the parliamentary secretary or the government House leader, as I did last Friday afternoon, in order to show that this debate can produce some degree of understanding in certain places. We use this House as a forum to expose the weaknesses or advocate the strong points of legislation. This is what I have been endeavouring to do, albeit at the same time working out a list of sections which, after consultation between now and ten o'clock, I hope to be able to put before hon. members for acceptance.