

Mr. Lambert (Edmonton West): The hon. member asks where they get their money from. I am going to tell him, Mr. Speaker. They use their two hands and their brains coupled to the will to work, to succeed and to put their shoulder to the wheel. This is how Canadians succeed.

But we never stop making claims on the government. And I am speaking now as a Progressive Conservative member. I for one have nothing to blame myself for on this point. The development of our economy and the progress of our country depend on our willingness to put our shoulder to the wheel. That is all.

Mr. Latulippe: Money does not come from the wheel.

Mr. Prud'homme: You know nothing.

Mr. Lambert (Edmonton West): Mr. Speaker, I would ask the hon. member to let us speak, after which he can make his speech.

Mr. Speaker, I see my time has expired. I thank you for your indulgence in allowing me to speak a few minutes longer.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker there was silence for half a minute, so that got me to my feet.

Mr. Prud'homme: When you speak we have to do that—a moment of silence before you speak.

Mr. Knowles (Winnipeg North Centre): Actually, Mr. Speaker, a statement of substance will be made by one of my colleagues this afternoon, but since in most cases the House likes to hear from all parties in the first round of debate, I shall take the floor for a few minutes.

• (1240)

In so far as the precise suggestions contained in the motion now before us are concerned, I have to say they seem to us to be ones which would be most difficult to implement. When one starts to talk about decentralizing monetary policy, and when this is mentioned in the context of a motion that refers to three levels of government, federal, provincial and municipal, it is a little difficult to see where it would all lead. Municipal monetary policy does raise some pretty far-reaching questions. However, it is not my purpose to become involved in an argument over these technical details, but rather to say that in so far as our friends of the Social Credit party are asking us today to think about ways to make taxation less burdensome to the people of Canada, then, of course, we feel that is a welcome subject for debate. As will be suggested later on today by one of my colleagues, we think there are definite ways in which taxation can be made less burdensome. Those ways, of course, involve the revision of our tax structure and placing it really on the basis of ability to pay.

When one refers to a revision of our tax structure, that conjures up immediately the picture of what we went through in 1971 or indeed what we went through during a period of several years, the result of which was supposedly a new income tax act. As a matter of fact—and we made this clear during the debate on that bill—there was

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no real, basic reform in last year's new tax bill, and in this year 1972 the taxpayers are discovering that the new heaven and the new earth that was supposed to result from that bill have not yet materialized. Therefore, we say the answer to the problem of making taxation less burdensome is to attack the whole question of our tax structure and to place taxation on the basis of ability to pay. We have not yet done this—particularly at the federal level, which is our major responsibility. In so far as this motion today is asking the House to think in terms of changes which should be made in our tax structure, we welcome the debate this motion produces.

The other way in which to make the payment of taxes less burdensome, to use the words of the motion, is of course to raise the economic standards of the people of this country. This raises the whole question of what we should do about wage levels, both minimum wages and fair wages, and what we should do about things like old age pensions, family allowances, disability pensions, veterans pensions, industrial pensions and so on. I, therefore, take this minute or two to repeat a theme this House hears from this corner of the House time and time again. The society we have at the present time certainly is not the just society we have heard about, nor is it the final word in the area of economic affairs of a nation like ours.

I feel very strongly that we must move in the direction of guaranteed income levels. When one mentions that, he must make it clear that he does not think in terms of means tests, income tests and that sort of thing but rather of allowances or demogrant and so on, which bring up the income level of our people. To do this sort of thing is costly, but not to do it and to try to continue with a society which is as divided and unequal as ours is much more costly. In a country as advanced as ours, with the capacity we have, I believe we can establish levels of income for workers in city and country alike, and that we can provide allowances, pensions, housing, health care, education, recreation and all these things that will put all of the people at a decent economic level.

Mr. Speaker, that frankly is all I wish to say in this opening round of the debate, namely, that we cannot go along with some of the details in the motion but that we warmly welcome the call for arrangements to make things less burdensome to the taxpayers of this country. There are two ways to do this. One is to place taxation on a more equitable basis, and the other is to raise the living standards of all our people.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in rising to speak to this motion, I am sure that hon. members are aware of the constitutional and jurisdictional problems connected with relations between the federal government and the municipalities. This does not mean that we are oblivious to the problems of the municipalities. We are aware that a city can exceed a province in population and budgetary expenditures. Some of the federal government programs, such as the Local Initiatives Program, are directed specifically at the municipalities. The federal cabinet will meet on Monday, March 27 to receive the annual submission of the Association of Mayors and Municipalities. I do not intend to pursue this particular phase of our concern for and preoccupation with municipalities. As I understand it, another