

*Income Tax*

**Mr. Lambert (Edmonton West):** I hear "shame" coming from the NDP. They do not know that business operations are so bad that there is a reduced forecast of corporate income tax because profits this year are not good. It is amazing, Mr. Speaker, but they feel there is one big herd of milk cows in this country known as corporations, which you milk four at a time. You just hang on tight and milk, and that is the solution to this country's economic ills and to government's shortage of funds. You milk the corporations.

I am talking about taxing individuals. Millions of people do not pay tax. Under the last budget, with the additional \$200 cut which is to apply primarily next January and February, a lot of presently marginal taxpayers will be removed from the tax rolls. But because of inflationary pressures and increases, even a 6 per cent increase in salaries or wages will mean that by the end of the year such people will once again be back on the tax rolls. It is all very nice to be off the tax rolls at the beginning of the year, but if you find yourself back on the rolls at the end of the year it is very little relief. I would have much rather seen a tax credit.

Personal income taxes have had a very regressive influence in this country ever since 1972 with the coming into force of the so-called tax reforms under a former finance minister, Mr. Benson. At that time there were dire predictions from all sides. I remember the former treasurer for the province of Ontario arguing with the then minister of finance and proving that the tax system was far too heavy-handed, that the impost by government under personal income tax was far too heavy for the Canadian economy. This has been proved because every year there have been cutbacks, and the government has always tried to justify why it has taken another half a million people off the tax roll. The very next year, however, inflation was moving them right up again, and with the tax rates and the tax system being what they are, it was just a case of a revolving door; you took them out at budget time, and a few months later they were back in as taxpayers. It meant very little.

● (2032)

If we took the totals claimed by the successive ministers of finance since 1968 or 1970 as having been taken off the tax rolls, we would not have any taxpayers left.

A recent proposal which was started by the Minister of Energy, Mines and Resources (Mr. Gillespie), and adopted by the government, to save energy, was to increase insulation. This was the giving of a grant of up to \$350 to certain persons owning rather older homes, which are to be insulated according to certain standards. The idea is fine. A lot of those homes require insulating, and undoubtedly there will be a lot of energy saving. But it is absolute gall then to turn around and say to an individual, "We will help you to the extent of \$350, but we will add the \$350 to your taxable income". It is given with one hand, and then it is taken back with two hands. That is totally wrong. Why do it that way? If the grant is to be \$350 for this particular house or that particular house, that is how much it should be. Why tax the grant? If that is the case, then

that should be the contribution of the economy toward energy saving.

I have heard of people insulating their houses at a cost of \$800 or \$1,000. This is what it costs to insulate some of the older, larger houses. But to tax that grant causes me to invite my colleagues to vote against that particular item in Bill C-11.

I could go through all of the ways and means motions, but the hon. member for Waterloo-Cambridge (Mr. Saltsman) has some original comments to make. Also some of my colleagues want to speak about other matters. I hope and trust that the members of the House, particularly those on the government side, will take a very good look at this particular bill, because there are some things said and done in the name of income tax that should never see the light of day. I invite them to participate in the discussion at this level. They must have embarrassing times when they are faced with constituents who say, "What did you say at that time?" and all they can do is grin or smile and say, "I did nothing and I said nothing. I took it at face value."

**Mr. Alexander:** They raised it in caucus.

**Mr. Lambert (Edmonton West):** Bill C-11 was never even discussed in caucus. People who are interested in taxes are told they will receive recommendations, but what recommendations come out of the Liberal caucus? Not one, not one.

I will put an end to my remarks concerning this somewhat disjointed amending bill and pass the mantle on to the hon. member for Waterloo-Cambridge. I know he is champing at the bit. I expect to have a good half hour session from some of the Liberal backbenchers who will expound on the values of this bill, since they are backing the Minister of Finance. I hope some of the provisions will merit the fate they deserve and be defeated in the committee of the whole.

**Some hon. Members:** Hear, hear!

**Mr. Andy Hogan (Cape Breton-East Richmond):** Mr. Speaker, I cannot help but let the hon. member for Edmonton West (Mr. Lambert) know that this evening the rabbi has consented to giving his place up to me.

It would appear on the surface that the opposition of NDP members to Bill C-11 is simply an anti-corporation move on our part without any substantial basis in economic theory. If we leave the theory aside temporarily, which has come to us in the post-war period mainly through the policy implications of John Maynard Keynes, as they relate to control of the aggregate or over-all demand in the economy; and if we stick to the pragmatic or practical results of such large tax cuts for corporations and investors, which come to \$1.2 billion, we find adequate reason for the NDP to be apprehensive about such tax cuts as they relate to the major problem which exists in the Canadian economy today as we see it, namely, the creation of jobs for at least a half a million more Canadians out of the approximate 1.2 million who are out of work.

Our leader has pointed out the failures of the measures to boost job creation. This is already reflected in the fact that