

*The Budget—Hon. Marcel Lambert*

payments he sort of puffed out his chest. The minister might ask me what chest, but I will not embarrass him. In any event, it was a windfall once in a lifetime operation. The only trouble is that the minister knows the string has now reached the last quarter inch because almost the next thing is that the corporations will be asked to pay their tax instantly on the completion of a transaction. The profit will be payable at that time.

The minister said he was helping housing by putting on a tax and by providing that carrying charges could not be levied against other income with regard to undeveloped land and that these would have to be capitalized. He thinks he will make some more money on this. I say, yes, he will make more money right now but every penny that is collected from the land holders under this proposal will be loaded on the back of the ultimate purchaser. There is no escaping that. The minister knows this. If carrying charges are allowed to be capitalized and are put on at the end of the road at the time of the disposition of the property, of course the purchaser will pay for it. Anyone who dares suggest otherwise is either being mentally dishonest or mentally incompetent on that particular point.

● (1520)

With regard to the tax upon high energy consuming vehicles, this is a return to a luxury tax. As to the tax on tobacco and alcohol, there will be some grumbling but it will be paid. I would much rather see an honest tax such as this one on liquor than the one imposed by many provincial liquor boards which, on the instruction of some cabinet minister in the province, merely jack up the price of their commodities. That tax is imposed without any representation, without any "yea" or "nay" by the legislature. I have always thought that that was the wrong way to proceed. To that extent at least, the federal Minister of Finance is honest with regard to the excise tax on liquor and tobacco. It is above board, while in the provincial field it is not. I have often said that.

The addition of the \$50 allowance to the personal income tax will certainly help some people. The minister mentioned those several hundred thousand people who had been taken off the tax rolls by a previous tax cut, and he stood them alongside another 300,000 who he says will be relieved of any income tax at this time. As a result of two years of inflation, many people who formerly were not taxpayers, thank goodness, have reached the level of becoming taxpayers, so there will be a duplication. But I will tell you this much, to the person who does not pay any income tax this type of proposal means absolutely nothing. If you are not going to pay income tax, to give you \$150 credit or greater exemption is of course quite meaningless.

The registered home ownership savings plan was thrown out as something novel, as though it were going to do something big. My colleagues who are primarily concerned with urban affairs will look at this in greater detail, but I will comment on it briefly. The limit is \$1,000 per taxpayer. This means that persons over the age of 18, both male and female, can avail themselves of this. If they are married, they must continue to remain taxpayers. Each one contributes \$1,000 to the pot for five years, and then they have this money available to purchase a house. At the price of houses today, this \$10,000 will be practically meaningless. This is the big problem. I have a relative who

[Mr. Lambert (Edmonton West).]

is getting married this fall. Some three weeks ago he and his fiancee went out to look for a house in the Toronto area. These two youngsters are out of luck. Both of them have good jobs but they are both out of luck because all they can find are houses between \$45,000 and \$55,000.

**Mr. Gillies:** That is lucky in Toronto.

**Mr. Lambert (Edmonton West):** Yes, my colleague is right. The price of housing is absolutely ludicrous. I know of a house that was built in 1967 in this city. I think it cost \$42,000 at that time and about \$1,000 was spent on landscaping, general painting, and so forth. It is on the market right now for \$90,000. Who on earth can begin to look even for a new house?

**Mr. Blackburn:** Will you be getting that house?

**Mr. Lambert (Edmonton West):** No, in no way, and it is not my house, either. I can tell you that a house five doors away from that one sold last week for \$90,000. This is just an indication of how nonsensical the situation is. In some areas in Toronto, in Ottawa and in other major cities in Canada you can pay up to \$55,000 and \$65,000 for a lot. These lots are not hard to find, they are numerous at that price. What does it mean? All I am saying is that this is the result of inflation. This is a hedge. People buy lots not merely to make a speculative profit. For many people the holding of land acts as a hedge against inflation. Yet, this administration seems to feel that the best they can do is act like the ostrich, shove its head in the sand, bare its backside to the breeze and hope for the best. This is what I find so incomprehensible.

I remember seeing the Prime Minister (Mr. Trudeau) on television in 1969—he had just discovered inflation at that time—saying that this and that had to be done. The point I am making is that in so far as the public service of Canada is concerned since that time—and there was a freeze put on it—it has gone up to over 60,000. Even this year I asked the President of the Treasury Board (Mr. Drury) at a meeting of the Miscellaneous Estimates Committee when we were considering supplementary estimates what was the purpose of these supplementary estimates, and he said that this would take care of the increases in staff. I asked him what size of an increase there was going to be in the federal civil service this year, and he said that, provided we can get sufficient inspectors for unemployment insurance and provided we can get some more people in some other department, the increase in 1974-75 will be 13,000 persons in the public service of Canada. Now, we wonder what was the resolve of this administration in trying to contain inflation.

We have here certain sales tax deductions. I will come to those when I compare revenues. We also have the tourist exemption. That is a curious one. It is very nice, but the funny point is that it allows Canadians who already have a most massive deficit on the tourist account to increase their permitted expenditures abroad by some 50 per cent. They will be purchasing foreign goods to bring them back into Canada, not for the employment of Canadians, and they will be spending money abroad, thus increasing the problem of our international trade deficit. I cannot honestly find any rationale in this. It may be that there is some undertaking with the United States government, or per-