

for consideration by the House by way of a ways and means resolution, a draft bill.

If the House of Commons accepts this procedure and adopts as part of the ways and means resolution a draft bill, I do not see how any amendment can be adopted or suggested to the House at any time thereafter either by the government or the opposition, because the objection can be very well made at any time an amendment is made by the government, the opposition, a member of the opposition or any individual member of the House that this amendment is not in keeping or in accordance with the terms of the ways and means resolution. It will not be, of course, because it is different from the draft bill which has been submitted. I think the House got itself into a bit of a bind and difficulty by following this procedure. I think it should be for the House to find a way out of it. For the moment, I suggest to hon. members that we proceed with the bill before us.

One solution is that there be a further meeting between representatives of the parties to agree on a motion which might rectify the situation. This solution has been proposed by hon. members who took part in the debate. If this is not done, the bill will eventually go to committee and hon. members may make an objection to the effect that the amendment is not in order, actual clauses of the bill now before the House are not in conformity or in accordance with the provisions of the ways and means resolution or the schedule to the ways and means resolution. That would be a good argument. I rather suspect the chairman of the committee of the whole would agree and would refuse to have the committee consider that amendment or clause. But that might cause difficulty for members on both sides of the House, so I suspect it will be an advantage for both sides of the House to get together very soon and try to find a solution to the problem which some of our distinguished leaders have caused for us.

In the circumstances, I think the bill should be allowed to proceed and hon. members given an opportunity to pursue debate on it.

**Hon. Marcel Lambert (Edmonton West):** I am very grateful to Your Honour, particularly in the face of the difficult problem that was facing the Chair in considering the arguments put before Your Honour with regard to this amendment.

● (8:50 p.m.)

I should like to complete my analysis of the bill as far as I can. Many of my hon. friends will be discussing particular aspects of the measure and making other general observations on second reading. There is one further point, however, I think should be made; it is one which has been made many times. The bill before us continues to accept the philosophy that the government knows best how to dispose of the public's money. An ever increasing share of the gross national product, an ever larger share of the nation's increased productivity is to be collected and distributed by the treasury.

This philosophy is not limited to the federal government. More and more is being taken by provincial gov-

#### *Income Tax Act*

ernments; more and more is being taken by municipalities. The figure is now, I suppose, up to 38 or 39 per cent of the gross national product, give or take a fraction of a percentage point. It is this that goes against the grain of the majority of Canadian citizens. No matter how hard they struggle, no matter how hard they work, no matter how much risk they take, the government says to them: Give us a bigger share of what you make, because we know how to dispense it.

Look at the size of the national budget in 1963—\$6.4 billion. Now, nine years later, it is in excess of \$15 billion in proposed expenditures.

**Mr. Francis:** What about the GNP?

**Mr. Lambert (Edmonton West):** The GNP has gone up, but it has not doubled or more since that time. One has only to look at the percentage figure. And, of course, the GNP is measured in terms of ever escalating dollars, in cheaper dollars.

**Mr. Francis:** So are taxes.

**Mr. Lambert (Edmonton West):** Yes, they are, but the government tends to improve its position because its sales tax and customs duties are all imposed on an ad valorem basis.

**Mr. Francis:** May I ask the hon. member a question?

**Mr. Lambert (Edmonton West):** No. I will finish my speech and the hon. gentleman can speak later if he wishes. Then, through a system of progressive income tax, as it is called—I do not think it is progressive; I believe it is a regressive form of taxation—the government takes an ever increasing proportion of salaries, wages and profits. In many cases, increases in these sources of income merely mark time in terms of constant dollars, but because of the incidence of inflation an individual finds himself in a higher tax bracket and taxed at a higher rate.

The same applies in the sphere of sales tax and customs duties. The same applies in the case of ever escalating municipal taxes. Having served on a city council, the hon. member for Ottawa West (Mr. Francis) can tell us just how far within this city municipal taxation has increased in terms of real dollars—

**Mr. Francis:** Not federal taxes.

**Mr. Lambert (Edmonton West):** Federal government taxation has certainly increased by a great deal. Members opposite describe this as tax reform, but the person with a low salary, the person living on a low income who is paying little or no income tax asks, "What will this do for me?" The answer is that it will do nothing, or really very little.

There has been no tax reform proposed within the field of these ad valorem taxes. Real reform in this area and in the area of realty taxation has proved beyond hon. members opposite. These are the areas to which we refer. They call this tax reform, but the principles of taxation have not changed. There is provision for increased