

*Income Tax*

July 4, 1981. It is not known to be a socialist or communist rag.

● (1250)

**The Assistant Deputy Chairman:** Order. The Minister is no longer on a point of order, he is now debating. There being unanimous consent to allow the Hon. Member for Edmonton West to continue his remarks, the floor should go to the Hon. Member for Edmonton West at this time.

**Mr. Lambert:** Mr. Chairman, while I do not want to create a precedent because I wish to come back to the point, I want to thank Hon. Members for their consideration. At this time I will abide by that interpretation, Mr. Chairman, but I suggest that you are wrong. Otherwise, I can ask a question lasting one minute and the Minister can take 19 minutes to reply and thereby exhaust my 20-minute period. I suggest that that is totally and utterly wrong.

Having said that, I will come back to my earlier comments. An investment in an annuity or any other plan is a saving for the future. When that investment is made, the money is then available for investment by the insurance company or others who hold the contract with regard to the annuity. Now, however, the idea is that the difference in income averaging contracts, annuity contracts and forward averaging will be paid to the Government. The Government says that that money must go to it.

The participating beneficiary of an annuity contract does not draw anything until the contract matures. The original inducement for a person to save was that his or her tax rate would be lower because of their reduced income. The Government now says that all taxpayers are not being treated alike. Everyone is free to buy an annuity contract if they wish to save money. It only depends upon what a person wishes to spend. Now there is every disincentive to save as a result of the Income Tax Act as proposed not only in this Clause but all through the Bill. The individual begins to rely more on a state-operated plan such as the Canada Pension Plan and Old Age Security. That is what drives up the demand for higher Old Age Security and has created the demand for the Guaranteed Income Supplement. It all comes from the state.

The Minister says that the state requires this interim taxation on life insurance contracts every three years because it needs the money. Why does the state need the money? It wants to have everyone dependent on it. Governments at the provincial level as well as the federal level take great pride in implementing programs and telling people how they will benefit from them. The Minister of National Health and Welfare is a classic example of this. There are many other examples as well. These same Ministers who start these programs turn around the following year to ask for more money and therefore more taxes. The Government needs the money. However, it is only those Ministers who put spending programs into place who say the Government needs the money.

**Mr. Lang:** Why did you go against restraint?

**Mr. Lambert:** I will oppose that in this particular instance. The Hon. Member for Kitchener made some unintelligible comment about why did I vote against the restraint program.

**Mr. Lang:** Restraining the OAS.

**Mr. Lambert:** I voted against restraint on the OAS because people had been put into that position at the Government's insistence. I voted in favour of six and five. However, I believe to take it out on the backs of senior citizens is wrong because they will be hit twice. It is clearly in the Bill that the indexing of allowances will go to six and five. This comes ten years after the great white knight, John Turner, introduced the OAS. Now, the Hon. Member's Government will cut it back.

To return to my comment, this difference in philosophy is where I have parted company with the Government over the years. The Hon. Member from Sarnia knows this very well. That is why I am a Conservative. I contend that the individual who wants to save money should be allowed to do so. That money then becomes available for investment elsewhere. The reason there are shortages of capital is that the Government will be borrowing another \$20 billion to clean up the market. There will not be any money left for industry or other Governments. I find this incomprehensible.

I apologize to my hon. friend for Kamloops-Shuswap when I say that this is pure socialism. He is not a pure socialist and, to that extent, he feels somewhat offended. This is part and parcel of the philosophy of Carter, which is that a buck is a buck is a buck. This so-called theory of equity, even though Parliament rejected it, has been shoved back into the system at every opportunity.

This situation reminds me of that of many years ago, which the Minister may not remember. The initial conferences that were held prior to the war with regard to sharing revenues and other programs heard many proposals at that time. The Provinces did not like the way they would be implemented and turned them down. Beginning immediately after the war, one proposal was shoved in by the bureaucrats, then another and another. To that extent, the pre-1940 plan was implemented. We are now seeing the piecemeal implementation of the Carter philosophy. This House roundly rejected it 13 years ago. Now Hon. Members opposite who were not here then take these proposals like candy offered by a doting parent. They think that this tax legislation that has been put forward is from Heaven and divinely inspired. They do not question it.

I part company with the Government over the philosophy that is behind this feature and others in the Bill. It is for that reason that I have spoken for this length of time, and I am glad that I have.

[*Translation*]

**Mr. Deputy Speaker:** Order, please. It being one o'clock, it is my duty to rise, to report progress and request leave to consider the Bill later this day.

Progress reported.