

example of this as a result of the proposals for tax change contained in the white paper. I dismiss entirely any suggestion that the ordinary individual did not have an opportunity to make himself heard and that the government only heard from trade associations and big businesses. One simply had to go away from Ottawa and receive representations from tenants' associations and ordinary individuals to know this. The hon. members who accompanied me on the western tour well know what individual prospectors had to say. They were standing there not just as stouthearted citizens but as individual men who were against the whole tax system. They made their voices heard.

We had some of the government members on the committee who made statements that had they made them months earlier would have caused them to be shot at dawn. Their political futures would have been completely sacrificed because they said a dozen times, "No, over my dead body will these proposals go through". It was interesting to see that they were joining the opposition in criticizing the white paper proposals. These members came forward and ultimately boiled down these proposals to a House of Commons report.

An hon. Member: How did the Tories vote?

Mr. Lambert (Edmonton West): They were always on the side of the people on this one. The hon. member would have known the trend and the thrust of opposition members' representations, questions and points of view had he been a member of that committee.

The Canadian people said loudly and clearly they would accept a tax system which treated fairly those who supply the energy, the ability and the determination to make this country go. In other words, the people we call the doers of this country were not going to be sacrificed on the altar of some so-called tax equity. Some people may object to me using the word "nonsense" but it seems to me to be nonsense and impossible to in any way support the suggestion that we shall have social justice in this country and all the social benefit programs we require in order to fight and eliminate poverty if at the beginning we kill the economy. This is where there is fundamental disagreement and this is where we part company with the government. This is precisely where there is a division of opinion.

Our first priority must be to maintain and encourage economic growth and then these other things will follow. The white paper puts equity as between taxpayers as the first principle. That is the first underlying principle in so many of these things, but that has now been changed. I do not suggest it has been changed completely but we will eventually see how far this change has gone. The proposals are complex and the language is difficult. We will have to wait to see how the practitioners, the tax lawyers, the tax accountants and businessmen themselves react. It is strange, but individuals have an uncanny understanding of how complex proposals affect them and how they are going to change their decisions. There are many people who are not tax experts but are sound financial analysts. Some of them are engineers; I know of

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a university professor in chemical engineering who falls into this category. Many of them are better able than 90 per cent of the people on the minister's staff to understand this field. The man to whom I referred has been very successful in this avocation. There are many people like that and we want to hear what they have to say in respect of the tax proposals.

I commend the minister on his timing. From here on in he is going to talk to the provinces. He knows now, if he did not know before, that it is absolutely essential to get their agreement. If he does not have that agreement the whole system will not work. After all, in respect of income tax there is joint jurisdiction. There is no way the federal government is going to set its own pattern in respect of income tax on a unilateral basis with the hope that we will avoid falling back into a tax jungle. There are no two ways about it, because some provincial administrations may simply say to the Minister of Finance, as Ontario was wont to do last year when it proposed a counter plan! "You do what you want, but we are going to do as we see fit". As a result the Canadian economy and the taxpayer would suffer. Whose fault is it? Is it uniquely the fault of the province or must it be shared by the federal government?

As a result of the decision of the federal government we have a part to play in the approval or disapproval of these proposals. I say we are back on the right track in recognizing the importance of maintaining the growth of the economy. Do the changes provide for this recognition? I suggest they do to a limited degree only by the removal of taxpayers from the tax rolls. We are told some 750,000 people will be removed from the tax rolls. Some of these will be removed because of this year's limited provision in relation to those earning less than \$500 taxable income who will be reduced to zero in so far as tax liability is concerned. Others who, because of an increment in the guaranteed income supplement, found themselves in a taxable bracket will also be removed.

• (12:40 p.m.)

Of course I find any suggestion by the government that it is really doing anything by removing the surtax to be the most laughable joke.

Mr. Gibson: Isn't it a help?

Mr. Lambert (Edmonton West): Did it not hurt a bit to reimpose it in December?

Mr. Gibson: Is it not helping now?

Mr. Lambert (Edmonton West): Oh, I see. It helps now. You broke the man's arm last month and so now you put it in a splint. That is really helping the economy. Let us look at the history of the surtax. It was proposed in late December, 1967. The government was defeated on third reading with regard to the surtax and then it was brought back in on the basis of the present Minister of Finance standing in his place in February of 1968 and saying, "mea culpa, mea culpa, mea maxima culpa, we have cut back on expenses, we have our computers and we can guarantee we will now balance the budget". The