

Income Tax

Time is needed to examine this Bill carefully in order to approve what is good, acceptable and equitable and to delete what is contrary to the best interests of Canada and Canadians. Therefore, I suggest there should be ample time made available to give thorough study to this entire tax Bill and, due to its complexity, it will take a considerable length of time to complete the review and to bring in the changes that will be necessary in order to give justice to the Canadian people.

I appreciate the opportunity to take part in this debate today. Certainly, as the day progresses, I am sure that many other proposals will be made that will further delete the unacceptable portions of the Bill and make it more acceptable to the Canadian people.

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I would like to associate myself wholeheartedly with the remarks of the distinguished Member for Fraser Valley East (Mr. Patterson), who is one of the more senior Members of the House.

• (1115)

I cannot think of any Bill, nor do I believe the Hon. Member, considering his long history in the House, could think of a Bill other than the one presently under discussion, Bill C-139, which more graphically represents the mess created by the Government in this country. This is evident in the provisions contained in this massive and almost incomprehensible tax Bill. Never has the Parliament of Canada been so insulted by having to attend to consider, in a comprehensible way, a tax measure which, in effect, amounts to two budgets with three amending financial statements.

I will not refer to all of the budgets because there have been so many. The former Minister of Finance presented a budget in November of 1981, an amendment in December of 1981, and his second real budget in June of 1982. Then the financial statements of the present Minister of Finance (Mr. Lalonde) were announced in October of 1982 and his latest statement was heard just the other day. However, all of their predictions as to estimates of revenues and expenditures have been wrong.

As the Hon. Member for Fraser Valley East mentioned, this legislation comes down to a Bill comprising 297 pages, introduced in the House as late as December 7, 1982, taking approximately 380 days for the officials even to write the Bill. Then just before the Christmas recess and after we came back, the Minister of Finance had the temerity and the gall to suggest that Members of Parliament should sweep all these problems aside, without proper understanding of what is involved.

I will point out the many provisions in the Bill in general because there is not enough time in the ten minutes allotted to me under our present rules to go into them in detail. Because Hon. Members are restricted to ten minutes, it is impossible to discuss the Bill meaningfully, even in general. However, to return to the subject, the Government, in its fifteenth year, having come to power in 1968 with a budget of some \$10 billion, is now estimating a budget of \$90 billion, with a deficit projected by the Minister of Finance of almost \$30 billion

before the fiscal year is over. This sum is more than the total budgets—not deficits—of all the Provinces except Ontario and Quebec. In fact, half of their budgets could be added and it would still not amount to \$30 billion.

Hon. Members are confronted with this Bill, which is to produce revenue, in the face of the billions of dollars which have been wrongly estimated. It is no wonder that many people in and out of this House are saying that the situation is incomprehensible and must be changed.

In a speech last week in Ottawa, J. Lyman MacInnis, the senior partner of Touche, Ross and Company, President of the Institute of Chartered Accountants of Ontario, said: "The Canadian Income Tax Act is an unmitigated mess". Then he said: "I started out by saying that income tax is an unmitigated mess. The reason I say that is because it is incomprehensible".

I am prepared to agree with him and would venture a guess that only the minority of a minority in the House, not the majority but, rather, those who are really involved in the study of tax law, can even begin to understand the smorgasbord of legislation contained in the Bill which will smother Canadians in increased taxes, not to mention the red tape involved in figuring them out.

There are 24 items covered in the Bill as follows: auto standby charges; life insurance and annuities; Small Business Bonds; soft costs; RRSP interest deductibility; IAACs; work-in-progress; capital gain reserves; metric measures; principal residence provisions; retiring allowance provisions; housing loans; six and five re. tax indexation; forward averaging; small business lower tax limit and loss of cumulative dividend account; corporate surtax; iron ore processing; DPSPs; 12.5 per cent small business distributions tax; 5 per cent reduction on withholding tax rescinded; director's liability; confidentiality; charitable foundations; capital cost allowance reduction.

Another item which is not specifically listed is the fuel compensation tax which would put Canadian shippers and the aviation industry at a disadvantage when competing with our American brothers or neighbours. This tax has to be removed before this Bill can proceed.

• (1120)

Many years ago the then Minister of Transport said one of the most profound things ever said in this House when talking about transportation. He said: "Transport is in a mess". That was not said by the present Minister but by one of his illustrious predecessors. That Minister of Transport was right because transportation was in a mess. Unfortunately, it is still in a mess.

What is in even more of a mess is the income tax provisions which are assaulting and insulting Canadians from coast to coast. We have very little time, Mr. Speaker, to really discuss some of the provisions of this Bill which I have mentioned. I should mention one basic and fundamental thing about these provisions. They provide no incentive to Canadians. They