

Income Tax Act

This Bill is contrary to the statements that have been made by the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) during and after the 1984 election.

As a result of this Bill and Bill C-14, which was adopted on division by the House earlier this week, the Canadian taxpayers will pay an extra \$1.2 billion. The total amount of new taxes for the fiscal year 1986, as a result of the 1985 Budget and the 1986 Budget, will be \$6 billion.

Since the Minister is in the House, let me quote what he said on August 28, 1984. He said:

We have no intention of raising income taxes to Canadians. What we have to do is get down government.

Mr. Gauthier: Up the taxes.

Mr. Garneau: Up the taxes and get the Canadian taxpayers down is the reality. The Minister introduced \$6 billion in new taxes after he made those remarks in 1984, before the election. Of course, he was making promises in order to obtain votes.

On March 1, 1985, after the election, the Minister of Finance said on CTV Question Period:

I don't want to increase taxes—I think we have a good deal of scope on the expenditure side to deal with the deficit problem. A tax increase, certainly a general tax increase, puts a dampening effect on the economy and I don't want to see us do that.

Since then we have seen the Budgets of May, 1985 and February, 1986, with \$6 billion in new taxes. If anyone should put his seat on the line it is the Minister of Finance who made those statements before and after the election and then increased taxes by \$6 billion.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I will speak to this Bill briefly because it is close to Christmas and Members want to leave the House. First, I want to talk about the process.

This Bill was initiated in the Budget of February 26, 1986. There was a Ways and Means motion in June, but the Bill did not come before the House for debate until December 8, just over one week ago. The Government cut short debate on second reading and jammed the Bill through in the committee without allowing the opportunity to hear from outside groups or organizations who may have wished to testify on the Bill.

The Bill has come back to the House and now, on third reading, we are allowed three or four minutes to speak because it is very close to Christmas. That is not a good way to deal with tax legislation. While it may be necessary to pass such legislation before the end of the year, I suggest that the Minister of Finance (Mr. Wilson) should introduce such legislation into the House at least one or two months before the deadline, if such a deadline is necessary.

In just over two years of office the Government has raised taxes on ordinary Canadians by \$1,350 per family per annum.

The Government has never challenged those figures. The Minister of Finance is here but he is not challenging them.

Mr. Wilson (Etobicoke Centre): I challenge them.

Mr. Cassidy: Although the Government is moving toward tax reform that broadens the base and lowers the rates, Bill C-23 narrows the base with unsupportable concessions on pension contributions and increases on RRSP deductions.

Not only is there an ineffective minimum tax, the Minister, despite his promises in 1985, has slipped in a loophole with respect to capital gains so that if there is any minimum tax on capital gains it will be borne at half the rate of other forms of income.

The sales tax credit is inadequate, particularly when one considers that the Government intends to use a sales tax credit to promote its business transfer tax. Corporation taxes are being cut in advance of tax reform and, rather than placing a surtax on the rich, it has been replaced with a surtax on every taxpayer, including taxpayers who are below the poverty line.

Canadians did not vote for that kind of tax system in 1984 and that is why the Member for Terrebonne (Mr. Toupin) has joined our caucus. The people of Quebec and all Canadians voted for real change in June, 1984. They did not get it from the Conservatives but they will get it from the New Democrats, whether it is on taxation, jobs or the creation of social justice for all Canadians.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

Mr. Deputy Speaker: It being six o'clock, the House stands adjourned until tomorrow morning at eleven o'clock, pursuant to Standing Order 3(1).

The House adjourned at 6.18 p.m.