

HOUSE OF COMMONS

Tuesday, March 1, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[English]

INCOME TAX

AMENDMENTS TO STATUTE LAW

The House resumed from Monday, February 21, consideration of the motion of Mr. Lalonde that Bill C-139, to amend the statute law relating to Income Tax (No. 2), be read the second time and referred to a Committee of the Whole.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, a recent poll indicated that the general public is becoming more and more convinced that the present Government has neither the ability nor the will to address effectively the basic problems threatening our economy. The several attempts made by the Government to produce a budget that would deal with our problems have proved to be abject disasters. Rather than bringing new hope and confidence to Canadians, what the Government has done has resulted in ever-deepening frustration and fear.

In November, 1981 the Government introduced one of the most complex and controversial budgets in Canadian history. Even the Government itself was disgusted with it. No less than 162 income tax changes and 56 changes in other tax related statutes were proposed. Subsequent budgets in June and October, 1982 altered parts of the November budget and proposed new measures.

Bill C-139 was not introduced until December 7, 1982, more than a full year after the November, 1981 budget. In December, 1982 it received a one-day debate. In January, 1983 Bill C-139 was debated for one-half day. In spite of the proclaimed importance of the measures contained in Bill C-139, the Government decided to debate Bills to reduce the indexing of Public Service pensions, Family Allowance benefits and Old Age Security pensions. Then to make things even worse the Government brought in the Canagrex Bill for debate.

The Government now insists that Bill C-139 be passed with dispatch because it claims that no income tax refunds can be paid until it has been passed. If this is true, why has the Government insisted on dealing with the other measures to which I have alluded instead of dealing with Bill C-139? Perhaps the Ministry and officials have been as confused and uncertain of the ramifications of the measures proposed as has the general public. Perhaps the Government and the Minister were not prepared to explain those ramifications. Could it be

that the Government delayed it, as it did, so the Government could use the guillotine once again to silence the Opposition? If this Bill must be passed before refunds are paid, how could the Government reduce Family Allowances before the legislation was passed?

There is another question. Why has the Government used other means to delay the issuing of refunds? Interest on refunds is not paid until after April 30, nor is it paid between the date that the refund is processed and the date that it is received and cashed by the taxpayer. Yet another question is, why were tax forms mailed out a month later than usual? Many taxpayers were forced to have special forms not hitherto required, further delaying their file.

• (1110)

The Minister of Finance (Mr. Lalonde) stated that early passage of the legislation will help Revenue Canada get on with the job of processing the 1982 returns. He concluded; "I therefore look forward to a speedy debate".

Bill C-139 is 300 pages thick. This House is urged to give it speedy passage after long months of hesitation, delay and confusion on the part of the Government. Bill C-139 will increase the tax burden on many Canadians through its increased taxation of employee benefits, its measures with respect to the income averaging, accrued interest income, the abolition of general averaging provisions and others. Many other taxpayers will be seriously affected by provisions that remove incentives under the guise of closing loopholes. In other words, the Government is so determined to extract every penny possible from the taxpayer that anything goes.

The former Minister of Finance pronounced that the budget was based on equity, justice and renewal. In actual fact, it fails all three tests and many of the tax measures in Bill C-139 are inequitable, unjust and oppressive.

I believe that action is required in several different areas. First, tax laws should be made understandable for the ordinary Canadian, including myself. Presently, no one seems to know, understand or be able to determine the jargon of the Income Tax Act. Second, there is the need to recognize the rights of Canadians to manage their own affairs rather than having the state confiscate the bulk of their income, leaving them only a little pocket money. Third, a review of the tax structure is essential to ensure equity and justice for all. I think back through the years to the many times that we were told there would be a review of the tax structure. Unfortunately, that review always seems to result in higher taxes. I suggest that is not good enough for the people at this time.