

Income Tax

● (1510)

Mr. Howard Crosby (Halifax West): Mr. Speaker, as you know, at this stage of the debate on second reading of Bill C-139 to amend the Income Tax Act we have but ten minutes to indicate our views on the legislation and all its ramifications for the people of Canada. It is no wonder that with that kind of time limitation we are accused by people like J. Lyman MacInnis, President of the Institute of Chartered Accountants of Ontario, of being less than thorough in our review of legislation as individual Members of this House of Commons. In fact, in speaking to a group in Toronto—where else would it be—the gentleman said this:

The greater tragedy is this. There are 284—

He does not even know how many Members of Parliament are elected in Canada.

—284 men and women sitting in the House of Commons in Ottawa who continue to enact this kind of legislation.

He is referring to the Income Tax Act of Canada.

Don't try to tell me that these people understand what they're passing. My guess is there aren't more than a handful who have any idea what the real effect is of the income tax laws they enact. We obviously had one Minister of Finance who didn't know.

I think we all know he is talking about the Hon. Member for Cape Breton Highlands-Canso (Mr. MacEachen) and his disastrous November 12, 1981 budget. The fact is that all of us in this House of Commons are tarred with the same brush, this brush of not caring, not studying the laws we enact and not taking action to prevent the passing in this Chamber of laws that will have unfortunate ramifications for the people of Canada.

I say that because that situation is entirely unfair. Members on the Opposition side do not have the opportunity for briefings from Government officials. They do not have the background material and support, the statistical analyses that are given to Members of the Government when they present Bills, but we all have to share in the blame. That is why we stand on this side of the House of Commons, speaker after speaker, and protest the manner in which this legislation is being run through the House of Commons and the manner in which it will be implemented later on by a bunch of uncaring bureaucrats in the Department of National Revenue, who will see this not as a method to finance the massive undertakings of the Government of Canada, but simply as a method to extract money from the people of Canada. There will be no humanity to it. There will be no philosophy to it. It will simply be the mechanical process of taking the money out of the hands of the Canadian people. That is why I want to dwell very briefly on the philosophy of this legislation.

In income tax laws and laws that extract revenue from the taxpayers, there is no philosophy. That is a mistake that the then Minister of Finance made in this House in his budget speech in November, 1981. He talked of equity. You do not talk of equity in relation to tax measures. There is no equity. Equity would indicate that no money should be taken from the people of Canada in the form of taxation. The money should

be raised in other ways that do not require individuals to contribute in a direct way.

The fact of the matter is that we need money to finance necessary and essential programs. That is what is called into question in these budgets every day in this House of Commons. The Government of Canada is extracting money from the people of Canada to pay for programs that are not necessary. It is extracting money from the people of Canada to pay for programs that are unessential and designed and intended simply to keep the Government of Canada in power. They are programs that the people of Canada do not need and cannot afford. The tax process goes on and on and there is no philosophy, no principle, involved in it.

The Minister of Finance in November, 1981 tried to pretend that there was a principle involved. He said that he was going to bring equity into the tax system. I have already explained that it is simply a method of getting dollar bills into the national treasury. It has no connection with equity.

Maybe in employing the system one should be fair among those persons who have to pay the taxed amounts, but there is no way that you can come up with a concept of equity. We found that out in the month that followed November, 1981. We found that the Minister's attempts at equity were ill-advised and did not result from any consultative process with the people and organizations involved.

That was the disaster, the disaster that is reflected in Bill C-139 today—because the tax measures that are contained in Bill C-139 flow from that November, 1981 budget. They flow from the program introduced by the same Minister in June, 1982 when he introduced the six and five program. They flow from the measures his successor introduced in the House of Commons in October, 1982 in an attempt to remedy and resolve some of the problems created by his predecessor.

What we have to do is call the attention of the people of Canada to this kind of incompetence, this kind of fiscal mismanagement that results in the need to tax and tax, and tax again, the people of Canada. You cannot attack these provisions one by one as the President of the Institute of Chartered Accountants said, because you have to characterize them as all bad. There is no real reason for them. The only reason is that the Government is spending vast amounts of money.

In November, 1981 the Minister forecast a budget deficit of \$11 billion. In June, 1982 the budget deficit had risen by several million dollars. In October, 1982 the prognostication was \$19 billion. It then went up to \$22 billion. Now, this very day in the House of Commons, the Minister of Finance (Mr. Lalonde) tells us the budget deficit is \$26 billion. If you do not think that has anything to do with taxation, Mr. Speaker, let me tell you what does have to do with taxation. When you divide the number of wage earners in Canada, which number around 10 or 11 million, into \$26 billion, in addition to the other amounts that are recovered by the tax system, you realize the financial burden that Canadians face.