that recession had set in. In plugging many of those loopholes, he was simply giving the powerful, vested financial interests of the country a chance to jump on him and his officials and say, "Look, we cannot afford plugging these loopholes at this time". Had that budget been announced in 1976, 1977 or 1978, when productivity was high, when our country was in a period of relative economic development and progress, I am quite sure that many of us in this Party would have accepted the plugging of those loopholes. We still do, but it is more difficult now for us to put forward those arguments.

• (2030)

I want to make brief reference to some of the changes that have come into this piece of legislation, an Act to amend the statute law relating to Income Tax, for two reasons: one, to show you how wide-ranging and all-encompassing these changes are and, two, to serve notice to the House that other Members of my Party will be speaking at greater length and in greater depth with respect to these proposed changes.

We have changes, for example, to annuities; to capital cost allowance—actually the Minister of Finance is flip-flopping on most of the clauses of the Bill I am referring to at the present time—to company reorganizations; deferred profit-sharing plans, interest expense; prescribed interest; capital reserves; work in progress; loans to non-residents; Canadianization and the incentive to Canadianize foreign industry in this country; life insurance. Every Member in this House could speak on the problems with respect to taxing certain life insurance policies because we have been deluged by lobbyists from the life insurance industry and by life insurance underwriters in our respective constituencies. We could all speak with respect to soft costs regarding certain aspects of real estate, such as the former MURB Program; to charities, as they affect individual contributions; to farmers, in selling their land to their children; and to house loans.

This Bill also includes such things as capital gains reserves, employee or shareholder interest deductibility, capital cost allowances, small business investment grants, Child Tax Credit, heritage tax deduction, pension income deduction, and so on and so forth. Investment dealers have lobbied for many changes. There are other lobbies, small businesses, the Retail Council of Canada, the Toronto Stock Exchange, the Housing and Urban Development Association, et cetera, et cetera. Yet the Minister of Finance expects us in seven days, to go through all these clauses and give him carte blanche to proceed? Absolutely ridiculous!

It is not that we want to hold up the business of the House simply for the sake of holding it up, but we would be irresponsible on this side of the House to let such important, complicated and all-encompassing tax legislation go through in a week and a day. Besides, what is the reason for our being so accommodating to this Government after waiting 13 months for this Bill? Secondly, the Minister of Finance has said that he is going to bring in yet another budget in late January or early February, so I see no need for rushing this through.

I am very concerned specifically about two major areas in Bill C-139. One is the drop in marginal income tax rates, and the other is the partial deindexation. When considering deindexation, along with the capping of Family Allowances and pensions, and personal income tax exemptions, we are reaching out virtually to every taxpayer in this country, as we are with the drop in marginal income tax rates.

The marginal rates were dropped because in the November 1981 budget there were 16 major tax loopholes which the Minister then wanted to plug. In order to try to sell the idea to the business community, and primarily to the wealthy people in the country, he argued, not in so many words, that if we were going to plug these tax loopholes then we would have to drop the marginal tax rates as they affect wealthy people who do the investing and who could take advantage of these loopholes. In other words, it was a trade-off.

However, we find when we look at this document, Bill C-139, that many of these loopholes have been unplugged or partly unplugged, or at least there is a promise there that in 1983 or 1984 they may be unplugged. But what has he done about the marginal tax rates? The new Minister of Finance has left them. In other words, the wealthy and the large investors in this country are going to have it both ways. First, they are going to have the tax loopholes unplugged and, second, we are going to continue with the lower marginal tax rate for the wealthy people in this country. I find that is totally unacceptable to the New Democratic Party, and indeed it should be totally unacceptable to any Member of Parliament in this House who has a strong social conviction that the poor and low income earners in this country are already over-taxed, and the rich in this country are patently undertaxed.

The Bill brings into law the lower personal income tax rate proposed in the November 1981 budget for the 1982 and the 1983 taxation year. I want to give some examples. For those whose taxable income bracket is under $1,112, the rate proposed in this tax Bill is 6 per cent. The old rate was 6 per cent. These rates do not change until we get to about the $20,000 to $24,000 a year income tax payer. But when we get to that income we find that the new tax rate has actually gone down, so the higher the income, the greater amount of tax rate decrease. If taxable income is between $24,000 and $31,000 a year, the rate proposed in the budget which is in this paper is 25 per cent, but the old rate was 28 per cent so there is a gain of 3 per cent on the income tax rate, it is 3 per cent lower. If we go to the top income earners, those whose taxable incomes are in excess of $133,440 a year we have an effective tax rate decrease from 43 per cent to 34 per cent. That is a decline, Mr. Speaker, of 9 percentage points.

The tax rates of the little guy at the bottom, do not change. They are just as high in this budget as they were in the November 1981 budget, but the big income earner has a lower rate of income tax. Keep in mind that the Government has now unplugged most of those so-called plugged loopholes which