

Income Tax

priate. I would like to make some references to the committee, pre-budget, of some tax problems so that the committee could look into them before I introduce measures. The members of the committee would have an input before changes are made in some areas. I do not know if this area could be one of them. At this time I am contemplating referring possible tax changes to the committee. Of course, that would have to be done on a non-commitment basis. Because I refer a certain matter to the committee does not mean I will make changes, because that might be counter to the traditional ways of handling budgets.

Up to now there has been a lot of secrecy until the night of the budget when the minister announces changes. On an experimental basis, I would like to identify four or five areas and refer them to the committee for comments and recommendations, but I would not be bound by those recommendations because I would not want to reveal measures before announcing a budget. There might be some proposition which would make so much sense that I could not resist it. I am planning to introduce that mechanism, on an experimental basis, right after Christmas. If that leads to some positive results, I will try to persuade the government to change the system we have had for over 100 years. Perhaps the system is no longer conducive to the effective transaction of national business.

Mr. Stevens: I am familiar with the minister's idea of doing a little kite-flying in the future. Instead of just bringing in proposed changes harshly, the minister would like to test them to find out if they fly, by means of some kind of committee proceeding. I do not know if we have any objection to his trying that, but I am dealing with a much more general question. The question is not how we should react once the bureaucracy decides it would like to change the Income Tax Act in a particular fashion; the idea, basically, is to familiarize this House and the public with the pros and cons of various tax measures with which we have to deal.

● (1642)

What I had in mind is the specific field we have been dealing with this afternoon, that is, the impact of federal tax upon farmers and business people who are deducting a relatively small portion. Could we have a reference to find out to what extent this is a hardship, to what extent provisions could be introduced to relieve some of the problems, to what extent other jurisdictions such as the United States and Great Britain are treating their small business people and farmers in a fair way?

The whole question of capital gains tax on small business people should be looked into. Rather than the narrow terms of reference the minister speaks of—which is essential when the bureaucrats have made up their minds on what kind of income tax change they would like to test—the minister is saying, in effect, “Let us try it at committee and see what happens.” I say it would be more meaningful to get some input before that decision is made by the bureaucracy, to see to what extent we have a problem in a field such as that discussed this afternoon, and let a committee such as the Standing Committee on Finance, Trade and Economic Affairs deal with it.

Mr. Chrétien: Mr. Chairman, I have listened to the representations of the hon. member. The suggestion of referring problems to a committee ahead of a budget is a far reaching approach. I am disappointed that the hon. member takes a cheap shot at the bureaucrats, because I have persuaded a lot of people this is the way to go at the problem. I think the hon. member should be grateful we are moving. If the opposition were as willing as I am to make changes, we would not be stuck in the House on the same problem for five weeks as we are now.

Mr. Stevens: Mr. Chairman, the arrogance of this government is unbelievable. That there should be a suggestion that because they are absolutely the vassals of the bureaucracy, we should be grateful to have a preview of what the bureaucracy has in store for us in the next budget, is unforgivable. I think the minister should be asked to retract that suggestion.

Mr. Chrétien: Mr. Chairman, if the hon. member does not want to discuss these things, we can do that with the NDP or the Creditistes or independents.

Mr. Stevens: Mr. Chairman, the minister is obviously trying to distract the House from the very simple proposition I put to him of why there cannot be the general reference I suggest to the Standing Committee on Finance, Trade and Economic Affairs. The committee could look at the problems raised in this closure debate and consider the impact of taxation at the present time on small businessmen and farmers. Are there relieving provisions to be considered which would put parliament back in the position of instructing the bureaucracy, instead of reacting to what the bureaucracy wants?

Mr. Chrétien: Mr. Chairman, at the beginning of this debate on Bill C-11, for days and days I heard speeches on all sorts of things except the tax aspect of the bill. I heard about the RCMP, and so on, but we were not dealing with the specific problems we have to deal with in committee. Last week they were trying to ride to power on the back of the RCMP. Now they are trying to ride to power on the back of the bureaucracy.

Mr. Stevens: Mr. Chairman, the seals have moved back into the arena. Obviously, the minister is not disposed to allow the people of Canada a reference that would give them an opportunity to explain to the government some of the problems they face with the present tax policy. I should like to go on to four more subsections of the bill.

Mr. Chrétien: On a point of order, Mr. Chairman, earlier the hon. member asked me a question on clause 6(1).

Mr. Stevens: Mr. Chairman—

Mr. Chrétien: I should like to give the answer; but if he does not want it, I can keep silent.

Mr. Stevens: Mr. Chairman, I fully intend to ask the minister for his answer before we are through with clause 6. Now I want to refer to subclauses (3), (4), (7) and (9) of