

Income Tax Act

Mr. Nielsen: Thank you, Mr. Speaker, for authorizing the controller to allow me to be heard. We gladly give our consent and the same assurances.

Mr. Deputy Speaker: Does the Parliamentary Secretary have the unanimous consent of the House to move this motion:

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

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QUESTIONS ON THE ORDER PAPER

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, given that it is early in the session, I simply ask that all questions be allowed to stand.

Hon. Erik Nielsen (Yukon): Mr. Speaker, I am not so sure that we want to consent to that. Since it is very early in the session, we are prepared, with great reluctance, to consent to that motion being put but only on the premise that the Parliamentary Secretary will answer starred questions promptly and that he will give priority to the questions that are back on the *Order Paper*, dating back to 1980, 1981 and 1982.

Mr. Evans: Mr. Speaker, as has always been the case, I will give the greatest attention to starred questions and to any other questions asked by an Hon. Member of the House to ensure that prompt and complete answers are provided.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[English]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Lalonde that Bill C-2, an Act to amend the statute law relating to income tax and to make related amendments to the Canada Pension Plan and the Unemployment Insurance Act, 1971, be read the second time and referred to Committee of the Whole.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to continue in the debate on this very critical Bill. I must say that one is tempted to make a comment on the call for civility which Members of the House have made, particu-

larly Leaders of certain political Parties. However, perhaps the meaning of civility has taken on a new meaning as of today. But I will refrain from commenting on that particular item.

The Minister of Finance (Mr. Lalonde) indicated that Bill C-2 represented an effort on behalf of the Government to bring a sense of equity and fairness into the taxation system and to all Canadians as we reflect on our tax forms that we will be filling out in the months ahead. I must say that exactly the opposite has happened. Some time ago I was attempting to allocate what I call the golden loophole award to those 297 Canadians who were able to amass incomes in excess of a quarter of a million dollars last year while, as a result of the loopholes in the tax system, they were not required to pay any income tax at all. I suspect we can add a silver loophole and bronze loophole award to those other categories of Canadians who, through the use of the loopholes, found it unnecessary to pay any income tax at all. I refer to the more than 7,900 Canadians who, in 1981, made incomes in excess of \$50,000 and paid no income tax. This number was up by 64 per cent from the previous year.

In other words, the tax loopholes are becoming wider and enabling more Canadians to pay absolutely no income tax at all. Of course, one could say the same thing about various elements in the corporate sector. Corporate giants such as the Bank of Montreal which made a sizable income last year, even by corporate standards of hundreds of millions of dollars, was not required to pay a single cent in federal income tax. As a matter of fact, it was able to acquire \$22 million in tax referrals to the next year, which again adds that much more to the tax deferral bundle.

I believe that recent figures indicate that the taxes deferred by various corporations now amount to in excess of \$25 billion. Therefore, when talking about fairness in our tax system, we have a great distance to go.

In response to questioning in the House of Commons, the Minister of Finance suggested that the fact that so many Canadians pay no income tax at all should not be of concern to opposition members since those Canadians will eventually be paying income tax.

Mr. Orlikow: Eventually we will all be dead.

Mr. Riis: As my friend states, eventually we will all be dead.

I think it must be pointed out that other countries do not have this attitude. Other nations close to us have quite a different position when it comes to federal income tax, particularly those who are able to use loopholes to pay no income tax at all. We need look no further than the United States. As a result of a tax equity and fiscal responsibility Act in the United States, those who manage to accumulate enough loopholes to avoid tax on incomes of more than \$30,000 are assessed an alternative minimum tax of 20 per cent on all income over that amount. I suggest it is fair to say that everyone pays federal income tax in the United States.

That is certainly not the case in a country such as ours as a result of the number of tax loopholes. Not only has the