

Income Tax Act, 1986

Mr. Speaker: When the House rose at one o'clock there were five minutes remaining in the question and comment period following the speech of the Hon. Member for Cochrane-Superior (Mr. Penner). I take it the Hon. Member for London East (Mr. Jepson) was in the middle of a comment. Is that right? No, he had finished. Therefore, we proceed to the reply by the Hon. Member for Cochrane-Superior.

Mr. Penner: Mr. Speaker, I will reply briefly to the comments made by the Hon. Member for London East (Mr. Jepson). As I recall, he took exception to my reference to certain measures in Bill C-84 as being sneaky in nature. I was of course speaking about the partial deindexation of our tax system. I was pointing out that what begins as a reasonable tax bite in 1985 grows to a pretty significant chunk in 1986; going from about \$80 million to \$635 million. By 1990 it becomes not a tax bite but a huge tax grab of some \$4.5 billion.

I have to be honest with the Hon. Member. I was a little reluctant to use the term "sneaky". However, it was difficult to find another term quite as appropriate. It seems to me that if the Government wanted to be very forthright and not open itself to charges of being sneaky or devious, then it should have said to Parliament that the Government needs additional revenue in 1985 and it was going to ask for a 3 per cent increase. Parliament could have dealt with it on the basis of what the needs were and then granted the money. We could have then looked at the situation in 1986 and the Government could have come back with another 3 per cent or 4 per cent increase, whatever was required, and it could have justified it to Parliament. Instead, the Government chose to remove from our tax system one of the most important reform measures that I think has ever been introduced into the tax system. It is a means whereby we protect taxpayers against inflation so that Governments cannot live off the avails of inflation, as I said in my remarks.

In order for the Government to get more money it has to be forthright and deal with it on a year-to-year basis. I did not like to use that word, as I said. I checked with the Speaker and you will recall that I looked at you quizzically, wondering whether "sneaky" was a parliamentary term. I did not see a negative shake of the head from you, and you and I have very good communication, having served together since 1968, so I was bold enough to carry on and use the word "sneaky". I must say that it is not a favourite word of mine and I was searching for some way to describe the scrapping of one of the most important reform measures in our tax system. I guess I fell a little bit below the line of propriety in calling it sneaky, but I really find it difficult to come to any other conclusion.

• (1510)

Mr. Jepson: Mr. Speaker, while I appreciate the Hon. Member's penance here before the House, I think I counted "sneaky" about 20 times in his speech. Methinks thou doth protest too much.

I think it is clear that the people of Canada will not be fooled by this constant repetition of the word "sneaky" in an attempt to erode the credibility of a Government which has

been very forthright in bringing forth positive economic measures for the country which have resulted in unprecedented growth in employment, in a 3 per cent drop in interest rates, in mortgage rates coming down, in new housing starts going up by a significant 26 per cent, in an increase in consumer spending, and in a spirit of real economic confidence in the business community. We are seeing a revival in the country which is unprecedented in the last 20 years. I must confess that I do not understand why we do not have the co-operation of the Liberal Party when we bring such progressive measures before the House.

Mr. Penner: Mr. Speaker, I certainly must agree entirely with the Hon. Member for London East that the credibility of the Government is on the decline. As a matter of fact, I think it is more than on the decline, I think it is now into a free fall. I do not know what sort of radical measures the Prime Minister can take—

Mr. Jepson: Mr. Speaker, I have a point of order.

The Acting Speaker (Mr. Paproski): Gentlemen, the period for questions and comments is now finished, but I will recognize the Hon. Member on a point of order.

Mr. Jepson: Mr. Speaker, I certainly did not say that the credibility of the Government was in decline.

Mr. de Jong: He didn't have to.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. I will recognize the Hon. Member for Cardigan (Mr. Binns) on debate.

Mr. Pat Binns (Cardigan): Mr. Speaker, I am pleased to rise today to speak on third reading of Bill C-84, an Act to amend the Income Tax Act as well as provisions in other Bills including the Unemployment Insurance Act.

Having mentioned unemployment insurance, Mr. Speaker, I will take just a moment to mention that when the budget papers were submitted to the House by the Minister of Finance (Mr. Wilson) he made way for two very important provisions which reflect on the kinds of initiatives the Government is undertaking with Bill C-84.

With regard to unemployment insurance, the variable entrance requirement would have meant that in June of 1985 all workers in Canada would have had to have a minimum of 14 insurable weeks before being able to file an unemployment claim. Of course, that was established under the former Government. Our Government undertook to review that timetable and has, in fact, set the deadline back to the end of December, 1986. That, of course, was a recognition that all areas of the country have not experienced full economic recovery. In my own area in Atlantic Canada, in particular, many good developments have taken place and there is a move toward strong economic development, but many people have still not been able to obtain more than 10 weeks of work.

In the meantime the Government established the Forget Commission on Unemployment Insurance. I am pleased to say