

Income Tax

As was the case with the recovery charge, a new taxation system is clearly in breach of Canada's bilateral agreements. It invites a request for arbitration or price retaliation against Canadian airlines. The tax measure is seriously flawed in logic and in law. It has already been challenged, as the House may well know, in federal court. As yet there has not been a decision in that case. It will be challenged further, as a constitutional issue that is, as being interference by the federal Government in a marketplace under provincial jurisdiction.

The convoluted measures to extract a tax, so discriminatory against the air mode of transportation, are highly suspect as to their effectiveness. All depends on the assumption that oil suppliers will be in the 50 percent tax bracket in order that the Government may reap tax revenue. Such an assumption in these times is merely very poorly founded. What will be created is a windfall revenue for the oil companies and a further blow at the corporate health of all air carriers.

I intend to ask when we get to the Committee of the Whole portion of the discussion of this Bill that those clauses I have enumerated be referred to a separate committee to see if we can deal with them in some particular depth, and ask the Government to come to its senses and change them. The Government has been through this once before. Surely it is not new. The Government has had to retract before. The Government had to pay the refunds then, and surely logic would indicate that the Government will have to do it again.

This is a very short dissertation on one very important part of this Bill to a very important industry in Canada. I would like to take more time and attack some of the other clauses in the Bill, but I know my colleagues have done an extremely effective job on that, and I will conclude on this particular point by asking the Chair to give this every consideration.

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, we have been waiting 15 months for Bill C-139, which contains amendments to the Income Tax Act. It is something that started one evening in November, 1981. I can remember that evening very clearly when the Hon. Member for Mississauga North (Mr. Fisher) defended that great budget of the then Minister of Finance. He and I were debating the budget on a local radio station in Brampton. He was extolling the virtues of that budget, a budget which has been changed some 45 times. If the then Minister of Finance had an ounce of honour in him at all and believed in the tradition of parliamentary democracy he would have been long gone from this Cabinet.

Mr. Mazankowski: And so would the Parliamentary Secretary.

Mr. McDermid: The debate that evening in November on Radio Station CKNW in Brampton proved one thing. It was clearly won by the Progressive Conservatives that night because most of the things defended by the Parliamentary Secretary to the Minister of Finance (Mr. Fisher)—how he ever got there, Heaven knows—

Mr. Crosby: That is why.

Mr. McDermid: Yes, that is why. He defended the indefensible. As I said, most of the things defended by the now Parliamentary Secretary have been taken out of the budget. It shows that there is no honour over there at all, not even in the Government's appointments. I cannot believe that he is there.

I have a couple of things I want to discuss here this evening. The first is the very excellent speech given recently in Ottawa by J. Lyman MacInnis, President of the Institute of Chartered Accountants of Ontario. This speech has been referred to earlier in the House. The contents of his speech pointed out very clearly the problem we have in the House of Commons in taking a look at a document which includes a number of amendments and is 300 pages long. We are asked to discuss this intelligently in the House of Commons and, in fact, pass the Bill rather quickly.

• (1720)

I watched the Minister of Finance (Mr. Lalonde) on "Canada AM" this morning with great interest. I watched and listened carefully to him yesterday and today in Question Period. The main theme of what he was saying is that the Opposition is delaying this Bill. I believe this is the fourth day of debate on this Bill, which was originally introduced on December 7 of last year. It represents a compilation of three budgets that this great country of Canada has had to suffer through. The Minister of Finance is now telling us that we are holding the Bill up and, as a result, holding up the business of the House because he cannot bring in another budget. It did not prevent the Government from bringing in budgets before. It brought them in so fast that Canadians did not know where they were.

I listen quite often to J. Lyman MacInnis on radio station CFRB in Toronto. He spends a great deal of time studying the tax laws, and he spoke about this Bill. I believe it is worthwhile giving one example of what we as Parliamentarians who are not trained in the law have to put up with. I will read from paragraph 56(1)(s) of the Act.

Mr. Cosgrove: That should take up four minutes.

Mr. McDermid: The Minister of whatever it is now—they keep moving him around—says that I am taking up four minutes. I think it is important to put this on the record. The Minister takes up far too much time in the House as it is. He has no right to criticize any other Member of Parliament in the House of Commons for taking up time.

Let me quote from Section 56. It reads:

Without restricting the generality of Section 3—

We have to go back to Section 3. It reads:

—there shall be included in computing the income of a taxpayer for a taxation year, the amount of any grant received in the year under a prescribed program of the Government of Canada relating to home insulation or energy conservation by the taxpayer, other than a married taxpayer who resided with his spouse at the time the grant was received and whose income for the year is less than his spouse's income for the year, or the spouse of the taxpayer with whom he resided at the time the grant was received, if the spouse's income for the year is less than the taxpayer's income for the year to the extent that the amount is not required