

Privilege—Mr. W. Baker

ROUTINE PROCEEDINGS

[English]

OFFICIAL LANGUAGES COMMISSIONER

TABLING OF NINTH ANNUAL REPORT

Madam Speaker: If the House will give me a few minutes, please, I have the honour of tabling in this House the ninth annual report of the Commissioner of Official Languages.

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PRIVILEGE

MR. BAKER (NEPEAN-CARLETON)—ECONOMIC REMARKS OF MINISTER OF FINANCE

The House resumed consideration of the question of privilege of Mr. Baker (Nepean-Carleton).

Hon. John C. Crosbie (St. John's West): Madam Speaker, as we adjourned at one o'clock I was outlining the difference between the situation last night and what the Minister of Finance (Mr. MacEachen) was doing and the action that was taken on July 26, 1979, by myself, to which he referred in an attempt to justify his extraordinary conduct of last night.

I was pointing out, Madam Speaker, that the measures I had to address myself to last July 26 had been brought down in the budget of November 16, 1978, and stated to be effective as of that date. The tax and tariff measures contained in it were already implemented by order in council and other legal measures although legislation had never passed the House. That is why we had to take some steps to advise people whether we were going to carry on on that basis or not.

To show you the difference, Madam Speaker, I might just make one other reference to the statement I made on July 26. I pointed out in that statement that the legislation involved in these bills should be passed as soon as possible. Because of the returns from 5,000 taxpayers who had filed on the basis of proposed changes for the 1978 taxation year before their returns could be processed, this situation had to be clarified and legislation passed. In other words, they were told in the November 16 budget that they had an option as to how they conducted their affairs. Some 5,000 taxpayers had filed returns for 1978 based on the changes in that budget, although there had never been legislation passed by the House. So we had an entirely different situation.

I am referring now, Madam Speaker, to the ways and means motion of which notice was given last night and on which the minister spoke. We have a whole set of new taxes, never before implemented in Canada, never advanced on. I shall also find for Your Honour—or Your Honour's staff, I am sure can get for you—a press release issued on December 13 or 14, 1979, in which the government, through the Department of Finance, pointed out that none of the tax measures in the budget speech of December 11 would go forward.

Last night, Madam Speaker, there was given to the people of Canada and to this House through a mere speech in the address in reply—and I was just reciting some of the tax changes—reduced write-off for oil and gas properties from 30 per cent to 10 per cent per year, made retroactive to December 11; a new temporary corporate surtax made retroactive to January 1, 1980—never in effect before; increased levies on tobacco and alcohol beverages, all of which went into effect at midnight last night—increases never in effect before in this country. We have an exemption for volunteer firemen. These are all good things. I am glad to see the Minister of Finance is following some of the things that had been indicated in my budget.

We have a new application of sales tax on cosmetics that will raise \$25 million; we have the sales tax extended to photofinishing—never before in effect in this country and it is going to take in \$10 million immediately; we have changes in sales tax exemptions for containers and coverings and so on—I will not go into it all. We have a different method of collecting the sales tax on gasoline and diesel fuel. Madam Speaker, this is a very significant change. Because the change there is from a tax of so many cents per litre or gallon to a tax of 9 per cent on the selling price of gasoline and diesel fuels, it means that the tax will go up each time there is an increase in gasoline and diesel fuel prices. That is to go into effect immediately, Madam Speaker.

Mr. Baker (Nepean Carleton): That is a sneaky one.

Mr. Crosbie: There is a whole series of other changes with effective dates given between December 11 and January 1 in this notice. So we have very, very many changes in the tax system of Canada imposed last night never before in legal effect in Canada, and in fact made clear by the administration that first suggested them on December 11 that they were not in effect and would not be going into effect unless our government was re-elected. We were not re-elected. The people of Canada had no reason to expect that this government was going to reintroduce them. This government had decreed these tax increases. The Minister of Industry, Trade and Commerce (Mr. Gray) practically bit through his lips, gnashing his teeth at the horrific tax increases contained in the budget. He said that if you smoked or if you drank in Canada, you could not get any relief from this government. Now his Minister of Finance and the government bring in exactly the same tax changes that were proposed for tobacco and alcohol on December 11.

If that is not the height of hypocrisy, it is certainly a new budget measure. It is semantics, Madam Speaker, as to whether it is a budget, or a mini-budget, or a Minnie Mouse budget. It is a travesty of justice, whatever it is. Nevertheless, it is a major change in the taxation system of this country. It is a major change in the revenue system. It is a major change in the tax system of the country and the hon. minister opposite brings it in without any adequate notice.

The hon. member for Winnipeg North Centre (Mr. Knowles) mentioned that the Minister of Finance called him.