

Income Tax Act

Mr. Aiken: Then, I do not know why the clause has been written in the way it has, because there are two alternatives and I presume the alternative which is better for the taxpayer is the one he will adopt. He can either pay on the basis of the last year's tax or he can pay on the basis of his estimated tax for the current year. If he just chooses to pay on last year's basis, this is perfectly all right, but it may not be to his benefit as a taxpayer. He may be a fairly new taxpayer and may have increased or decreased his business substantially. He may have branched out into new fields, and if he only pays his estimated tax for the previous year then I ask why the alternative is put into the clause. Because he can do it on either basis. I am told that as a matter of practice this causes difficulty. However, I do not want to argue with the parliamentary secretary about it because he has his opinions and I will be glad to hear them; but I have to rely on things people who are in the business tell me.

On page 1003 of *Hansard* for June 13 the minister mentioned tax incentives for industry. He said:

This means, Mr. Speaker, that we have no alternative but to look to our tax structure not only with a view to providing incentives for increased employment and industrial growth, but also in a search for additional sources of revenue.

It was our understanding at that time that the minister intended to produce tax incentives in order to get industry going. These incentives have in fact not been incentives at all but the reverse. We have had tax increases, and on the particular item we are discussing the accelerated payment of corporation income tax is a tax increase regardless of how you go about it. The corporations have to pay \$220 million more to the government, and you cannot call it anything else but a tax increase for that particular sector of the economy we are trying to help.

I do not want to go into the increases in sales tax; in fact I could not do so. Nor shall I discuss the question of the increase in taxation to finance the old age pension, part of which will come from the corporate field. Nevertheless, I do want to point out at this time that there have been very few incentives in corporate income tax; on the contrary there have been tax increases at a time when we ought to be encouraging industry.

I know, Mr. Chairman, that we all want to proceed with the bill. There are other matters to be discussed at the time we reach them clause by clause, but I should like this particular point clarified. I am not a believer

[Mr. Benson.]

in miracles, but I do know that the minister has tried to produce one here. However, I say a tax is a tax.

[Translation]

Mr. Laprise: Mr. Chairman, I should like to take this opportunity to make a few remarks on Bill C-95, to amend the Income Tax Act.

I must say, at once, that this bill has not impressed me much. We must admit, and nearly all those who have spoken before me have done so, that the Income Tax Act is a rather complicated document, quite difficult to understand and to sort out. I think that the amendments which the government intends to bring will only make it more complicated.

In studying this act, I had the impression that it resembled abstract art. Abstract art, Mr. Chairman, represents something which cannot be easily understood. An abstract painting, an abstract sculpture represents something that anyone can look at and then find in it very different meanings.

The Income Tax Act is just like that painting; everyone can study it and find in it different aspects and meanings. That is why those lucky enough to have at their service people who can spend long hours studying that abstract measure, can succeed in finding ways to evade some taxes.

We have heard of some proceedings instituted against some companies, some businessmen who allegedly succeeded in evading taxes they should have paid to the treasury. And again recently, some politicians took the liberty of doing such a thing.

Mr. Chairman, if you study the Income Tax Act and consider it in relation to abstract art, as I did, you can see that the present government's actions look strangely abstract too.

The government's actions are often out of touch with reality. Indeed, as reported on page 4183 of *Hansard* for last October 30, no later than yesterday, the hon. member for Lake St. John put the following question to the Minister of National Revenue:

Could the minister inform the house if his department has given instructions to reduce the amounts claimed for charitable donations, as is being done in the province of Quebec, without first making an investigation to ascertain whether or not the receipts are genuine?

The minister's reply was negative. Then, who ordered officials of the taxation division to reduce the amounts claimed for charitable donations as they did throughout the province of Quebec, at least this year? Who gave them such instructions? If they took it upon themselves to act in that fashion, without getting any orders from a member of the government, I wonder where we are going and what has happened to cabinet responsibility.