

Government Orders

• (1610)

I have a third quote from the finance minister: "Irregular taxation among jurisdictions has produced economic distortions, inefficient and wasteful collection costs and a perverse sense that the tax system is irrational and unfair. Canadians are prepared to pay their fair share of taxes. What they object to is when they see discrimination against them in favour of others. What they object to is when they see that the services that they have come to expect cut back and their taxes going up. There is a deep feeling that the system is warped against Canadians".

If that opinion was really believed then by the finance minister, I would like to refresh his memory. If he still believes it today what that really means is that we need to review the entire taxation system, the way we collect taxes, why we collect taxes, what those taxes are for, what the program costs are in the government.

We need to diffuse and separate tax expenditures from direct spending. Very few MPs know the total we spend on child care through the four or five various programs that exist. We do not know because we use the Income Tax Act to do it.

If we would simply use income tax as a method of raising taxes other than a personal exemption and nothing else, then decided we wanted to subsidize or support various groups, people who cannot work, who cannot help themselves, whether we want to help education or health care, all the programs we want to fund, that would be fine. We should put that under direct spending.

Then we can set the rate to raise the money we need to pay for those programs. Simplification will lower compliance costs. Simplification will satisfy the concerns he had in opposition about the tax system, the very one he is defending now, to which in his two years of tenure as finance minister he has added over 1,000 pages of clarifications, rulings and justifications so that people can understand it better.

He said it was irrational and unfair. In two years he has done nothing about it except tinker around by raising an excise tax here, trying to do that over there. He has not addressed the problem the way he could and should.

I would like to see him match his rhetoric, his belief, his ideas and deep felt conviction that the current system is unfair and allow the Standing Committee on Finance to explore fundamental tax reform for Canadians.

The time has come for that. If he really believed in what he said I challenge him to allow that kind of debate, to allow that kind of exploration to begin so that it is outside the realm of bureaucracy, so that it is outside the realm of deputy ministers who want to have it their way and only their way.

Put it back into the purview of members of Parliament who can come to the finance committee and represent their constituents' wishes and their constituents' point of view.

I am sure if he lets that happen he will find there are a lot of Canadians who would like to see tax reform. They would like to see some form of system they can understand, a system in which everybody can do their own return, in which fairness is reintroduced whereby everybody pays their proportionate share of taxes after a certain level of exemption. If I make 10 times more money than another, I pay 10 times more taxes.

Eliminate all those tax shelters and incentives that distort the economy and allow the government to manipulate and direct our social and economic lives. We have to separate the income tax system away from social and economic engineering.

I look at the comments the finance minister made in opposition because I am on the finance committee and a critic of finance. Therefore I have to go back to find out what this gentleman believed in, what he fought for, his values, where his goals and objectives lie. Now that he is finance minister he is not following his own beliefs. I do not understand that.

• (1615)

Year after year MPs say one thing to get elected and when they get elected they do another thing. I am very disappointed the Liberals have already broken about 15 promises in their read book. They said one thing to get elected and did exactly the opposite.

We commend and compliment them for some of the promises they have broken, because we know they are heading in the right direction. We know spending has to be cut and social programs have to be looked at because they represents 67 per cent of the budget. We understand that. We were hoping the government would listen to us and make those kinds of tough decisions.

However, there is room for more spending cuts. The spending cuts that could really help are those direct subsidies for business and individuals, the billions we do not need to spend.

The compliance cost of the taxation system is \$12 billion in a country of 27 million people. This includes accountants hired, the audits that must be done and the cost of departments such as National Revenue and taxation: customs is at \$2.2 billion; the GST group, \$500 million; all the tax lawyers and services. Twelve billion dollars changing hands just to collect this money, to interpret our tax rules.

Members of the House should spend three months on tax simplification, trying to improve the system to make it more simple, more equitable and fulfil the concerns the finance minister had when he was in opposition that the tax system is irrational and unfair.