

*Income Tax Act*

quence of the National Energy Program. There are also several technical changes affecting business income, including the requirement that interest income of corporations and partnerships and certain trusts be reported on the accrual method. Most firms follow this practice, but some have opted to follow a different practice which results in a deferral of tax for interest accrued but not received.

● (1430)

In conclusion, Mr. Speaker, this is undoubtedly an important bill. Members of the House will take the opportunity, obviously, to comment on its contents and on the problems affecting the economy. It is not the first time we have had an opportunity in this session to debate this subject. We had a very intensive six-day debate following the budget, and before Christmas we had a lengthy debate on economic conditions, both of which permitted a very large number of hon. members to express their views on fiscal and economic policy. It is obvious that members will want to add to their thoughts as this debate opens and, certainly, I will be listening very carefully in the hope I will receive advice which can be implemented and which will do more good than damage to the economy. There is always lots of advice, but if it were implemented it would probably worsen conditions. I am asking the House to give me advice which will improve, not worsen, the situation.

I remind the House again that the changes for the 1980 taxation year are important. They affect a large number of taxpayers who will be filing their returns, and I would hope that the authority will be given by Parliament so that refunds which may be owing to Canadian taxpayers will be authorized in time. I believe that this authorization can be given without depriving Parliament of a reasonable opportunity to debate the contents of the bill and the circumstances surrounding it, not only at second reading but at Committee of the Whole and at the third reading stage.

**Mr. Harvie Andre (Calgary Centre):** Mr. Speaker, I must say in opening that it must be a considerable relief to the Minister of Finance (Mr. MacEachen) finally, after so many months in office, to have a chance to deliver a budget address. He delivered a mini-budget last April 21 the contents of which he stole from the hon. member for St. John's West (Mr. Crosbie), who was the previous minister of finance. He then was forced to put his signature to and deliver the energy program of the Minister of Energy, Mines and Resources (Mr. Lalonde) on the now infamous day of October 28. Today, for the first time since the minister assumed his high office of Minister of Finance, he has had a chance to deliver a budget address and apparently to indicate where he feels his policies are leading the country.

In his opening remarks, the minister commented on the length of time between the income tax amendments and the borrowing authority and the budget. I do not wish to rehash an earlier procedural debate, but for years and years, as the minister pointed out in his contribution to the procedural debate, the borrowing authority was attached to supply. Finally, as the Speaker was reviewing the matter, it was found that in fact this procedure was in violation of Standing Orders of

the House and the matters were severed. To learn now that we were actually wrong all those years and that the matter really has more to do with taxation, does not really stand up under close scrutiny. Borrowing authority in fact is a stand alone provision in the same way as matters of customs tariffs and excise are stand alone provisions, though they flow from government policy.

The minister in his early remarks laid out his interpretation of the policies which he is following. He seems to be enamoured with the word "gradualist". He used it several times today, and apparently in an interview with a reporter of the *Toronto Globe and Mail* on Monday, January 12, in which he said:

In a sense, I'm working in a gradualist approach because I believe it is less damaging in current circumstances and over time will have its results unless we have further shocks to the system.

The minister is engaging in an approach which unfortunately has become quite habitual to members of the government. For example, earlier in the same *Globe and Mail* article, the minister said:

—the basic framework of his policies, as laid out in the budget, is to restrain government expenditures, bring down the deficit gradually, back the Bank of Canada's monetary policy and try to support industrial development, energy development and economic adjustment through government spending.

It is a political approach taken by the government to gain the support of the public. In searching for the phrase to describe this approach adequately, the only one I could come up with which seemed fitting is the "big lie" approach. The government articulates its policies in terms of goals of motherhood in the hope that these goals will be interpreted and viewed by the public and the media, which translate this House to the public, as the substance of its policies in order to perpetuate a fraud on the public.

For example, on October 2 the government introduced its constitutional proposal and said that it was very simple and would entail a flexible amending formula and better protect human rights. There were many who accepted that proposal at face value and there were some who even said they would endorse it, and I think of my friends to the left, who took that position and are now finding it rather uncomfortable. Only after a closer look at what was involved is it becoming widely recognized throughout the country that in fact the opening statement of October 2 on the goals of the government on the constitution could not be further from the truth. The reality of what the government is proposing in the details, and that is where it counts, is far more profound, far more dangerous and destructive to the unity of the country than anything suggested in those original motherhood goals.

Similarly, on the budget come energy address of October 28, the goals as articulated by the Minister of Finance who read the program, can hardly be opposed by anybody. The goals were to protect Canadians from undue increases in energy prices, to Canadianize the industry, to make the country self-sufficient, to reduce demand and to encourage conservation. Those goals are eminently sensible, and goals against which no sane person would argue.