

Income Tax

long run, be extracting even more tax dollars from the citizens of this country. This, in turn, will bring about greater increases in the prices of goods and services. The people of our country are now being over-taxed because of continued government waste and worthless, unproductive programs.

On several occasions the Canadian Federation of Mayors and Municipalities has made submissions to cabinet requesting, *inter alia*, that real estate taxes and annual mortgage interest payments on owner-occupied properties be deductible from taxable income, and that interest on municipal bonds not be classed as revenue, or be deductible from taxable income.

There are certain well-known anomalies in the Income Tax Act that should be corrected at this time. A review should be conducted to eliminate the fiction or the veil, so-called, that certain clergymen are not taxed.

Consideration should be given to permit the total amount of charitable donations to be deducted from taxable income. Possibly charitable donations should fall into the same category, and be given the same courtesy accorded donations or contributions to political parties, whereby the donation is deducted from the tax payable rather than the taxable income.

Incidentally, I have been careful not to make any mention at this time of the fact that as an independent member, not affiliated with any political party, my agent, or committee, or association, if I had one, would not be permitted to accept donations under the provisions of the Election Expenses Act, or the Income Tax Act, which would be deductible for income tax purposes. I suggest that this is a discrimination, and that the minister should be prepared to present an amendment to solve this problem, and accept the other suggestions I have made.

Above all, there is a responsibility on the government to put a halt forthwith to waste, and to reduce all unnecessary government spending on luxurious and worthless programs which really do nothing to engender enthusiasm and production in the country, but rather decrease initiative, industry and concern on the part of Canadians generally.

We can pass all the statutes, acts and amendments we wish in this House, but unless the cabinet and administrative bodies come to some sense of realization of stability and financial responsibility, coupled with a restoration of confidence, it will all be for naught.

● (2020)

I suggest that we get down to the basics of Bill C-49 immediately, and that the Minister of Finance should indicate just what changes he might be prepared to make in order to avoid any further debate and delays so that the legislation can be enacted, income tax returns processed expeditiously, and refunds made.

Some hon. Members: Hear, hear!

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I take part in this debate after having been angered somewhat listening to the Minister of Finance (Mr. Turner) last Tuesday, night, in addition to my anger and disgust

[Mr. Jones.]

when listening to the Prime Minister (Mr. Trudeau) last November when he took part in the budget debate.

This evening I will try to put some things on the record that they forgot to mention because it did not suit the kind of argument they were trying to make in the area of energy, concerning fair sharing of the revenues from resources between the federal government, the provinces and the industries, in the area of equalization in terms of the fiscal relationship between the federal government and the provinces in deciding in what kind of direction we should and could be taking, and whether or not there was a breach or a failure to live up to the letter and the spirit of the March, 1974, agreement.

First I want to say that in his statement on the income tax bill the Minister of Finance ventured the opinion that most of the debate has been on issues that are, in his opinion, peripheral or irrelevant. He said that the central issue is what constitutes a fair share of revenues among industries, the provinces and the federal government. Then he went on to say that no provincial government and no opposition party has, to his knowledge, revealed as yet what it considers to be a fair share of production income among industry, provinces and the federal government.

It seems to me that the minister has not been, and is not now, prepared to listen. The question of what constitutes a fair share is laid out very clearly in the British North America Act in the section which gives the provinces jurisdiction over natural resources within their territory. This is a fundamental part of our constitution. If the minister intends to abrogate the constitution in this respect there are methods of doing so, as has been done in the past with respect to grain elevators and uranium. However, if that is what the government intends to do, it should have the courage to say so.

Clearly the federal government is interested in changing the relationship between the provinces and the federal government, and this is a serious matter. If one examines with some care even the figures which the minister provided in his speech, it becomes obvious that the fair share argument is just a smokescreen for an attempt to increase the power of the federal government at the expense of provincial governments.

May I say at this point that I will not take a back seat to anyone in the House regarding the importance of having a strong federal government.

Mr. Baker (Grenville-Carleton): We won't give you a front seat either.

Mr. Benjamin: The federal government must govern in the interest of all Canadians, but when a federal government of any political stripe intends to sneak in by the back door and get around the provisions of our constitution, that is not what one would call striving for a strong confederation, or preserving, extending and expanding Canadian unity.

As the minister himself admits, up to the end of 1973 only a handful of petroleum companies were paying any corporate tax—not fair taxes, not taxes on their petroleum revenues, but any taxes at all. If the federal government has been interested in ensuring that it gets a fair share of petroleum revenue, its interest obviously has been very