

Privilege—Mr. Guilbault (Saint-Jacques)

EFFECT OF WHITE PAPER ON RICH TAXPAYERS AND CORPORATIONS

Mr. Simon de Jong (Regina East): Given the fact that 175,000 high-income Canadians will be getting a tax break of over \$4,000 a year, and given the fact that there are 60,000 profitable corporations which will not be paying one cent of tax because of the measures introduced last night, how in heaven's name can the Minister face the Canadian people and claim that this is fairness and equity?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are treating this on a broad basis, being fair to everyone. What we are saying is that there are clear reasons why companies are profitable but not paying tax after tax reform. These are companies which have incurred losses, hard dollar cash losses. The provisions under the Tax Act now are that they can carry these forward for a few years. That will not be changed.

The other basis for companies not paying tax, again as part of long-standing tax policy, is that if a company here makes money, pays a dividend to another corporation which pays a dividend to a third corporation, we should not tax that same income two or three times along the chain. A number of those corporations are still not going to be paying tax. That is the right way to do it. If the Hon. Member disagrees with that, I would like to hear the reasons why.

Mr. Speaker: I regret to advise Hon. Members that the time for Question Period has expired.

Some Hon. Members: More, more!

Mr. Speaker: I have notice of a question of privilege from the Hon. Member for Saint Jacques (Mr. Guilbault).

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PRIVILEGE

ALLEGED MISLEADING STATEMENTS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I rise on a question of privilege today arising from the misleading and inaccurate information given at Question Period yesterday by both the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) of this country. It regards the nature and circumstances surrounding the budgetary announcements which were made last night.

[Translation]

While the Prime Minister (Mr. Mulroney) is leaving, I would like to point out that the privileges of all the Members of this House have been diminished and abused by spurious statements made in this very House by these two Ministers.

Mr. Speaker, when issues as important as taxation are involved, Members of this House have a duty to represent their constituents, especially as, under our old traditions, there

should not be any taxation without representation. The Members of this House were unable to prepare adequately for what was coming as they were given false information about what the Minister would announce yesterday evening.

Members of this House who had prepared papers and assembled groups to advise them on probable taxation measures and options open to the Minister, made incorrect assumptions. Canadians are now faced with measures of which several have already been implemented and which cannot be discussed, but can only be accepted.

[English]

It is perfectly clear today that the Prime Minister of Canada and the Minister of Finance gave the House misleading information in response to questions in the House on Wednesday of this week, and yesterday. Such misleading assertions are grounds for a question of privilege. Both the Prime Minister and the Minister of Finance asserted unequivocally that the tax reform provisions announced last night were not a budget, but a White Paper. The evidence is now perfectly clear that the announcement of the provisions was in exactly the same form as a budget, with immediate consequences taking effect at midnight last night.

I have never heard of a White Paper having important measures taking effect immediately with a Ways and Means motion annexed. The White Paper, as all Members are well aware, is a document supposedly containing a series of policy proposals to be discussed by Members of the House of Commons, by its committees and eventually by the people at large who are being called upon to give the Government their advice on various policy options. Is this what we received last night? I say no. There are in the kind of budget that was handed down last night several provisions to take effect immediately. So these are not policy proposals to be discussed but policy directives already decided. They are not open to scrutiny or debate but are there to be understood and accepted by the Canadian public.

[Translation]

The Ways and Means Motion tabled yesterday evening by the Minister, which I have here, contains many tax measures which have even now been implemented. I have identified 13 in the little time I have had at my disposal. Let me give you some examples. First, there will be a—

—revised definition for qualified farm property acquired after—

—and the date is quite clear—

—June 17, 1987—

This means that this proposal is in effect at this very moment.

—for the purposes of the special \$500,000 capital gains exemption.

There will be:

—restriction of deductible capital cost allowances, lease expenses and carrying costs for passenger automobiles—

—and so on—