

*Oral Questions**[English]*

**Mr. Bosley:** Mr. Speaker, if the Minister spent half as much time looking after his Department as he does looking after patronage in Quebec City, we would be better off.

**Some Hon. Members:** Hear, hear!

**Some Hon. Members:** Oh, oh!

## DEPARTMENT'S ADVERTISING CAMPAIGN

**Mr. John Bosley (Don Valley West):** Mr. Speaker, my question is directed to the Minister of National Revenue. Members opposite want to laugh about the hundreds of Canadians across the country who are in desperate straits because of the activities of that Department. The Minister knows that hundreds of Canadians are stuck in an assessment appeal process whereby they are having their appeals heard by the same people who assessed them. Yet this Minister has \$300,000 per week to spend on advertising to puff his image. If the Minister has the money, why does he not fix the system before he runs ads?

• (1120)

*[Translation]*

**Hon. Pierre Bussières (Minister of National Revenue):** Mr. Speaker, here is another glaring example of the way Opposition Members tend to ignore the Canadian taxpayer.

The advertisements we put in the newspapers during the past few days are a response to the taxpayers' need for simple, straightforward information on the tax returns they must file. At this time of the year, when people have to file their tax returns, we want to make every effort to inform them quickly, simply and effectively, to help them comply with the various provisions of the Income Tax Act. That is our objective, and not the twisted attitude the Hon. Member is reading into these advertisements.

*[English]*

**Mr. Bosley:** Mr. Speaker, what the ads mean is that the guide is incomprehensible.

## INCOME TAX GUIDES

**Mr. John Bosley (Don Valley West):** Mr. Speaker, the Minister is running a bunch of ads but he is not bothering to run an ad to tell Canadians that what the guide says about Canada Savings Bond interest is wrong. He is not bothering to tell Canadians that they have the right to treat some of that interest as capital gains because of a court case he lost.

Let me ask the Minister this question in general about the guide, about the ads and about what has happened. Either the Minister knows, as we have discovered, that the system and the way the Department is treating taxpayers is in a shambles, in which case he ought to resign, or he is going to have to

explain to the House how it is that after two years he does not know it, in which case he ought to resign.

*[Translation]*

**Hon. Pierre Bussières (Minister of National Revenue):** Mr. Speaker, the Hon. Member is showing his ignorance on two accounts. First of all, he is showing his abysmal ignorance with regard to the Department of National Revenue, because it is a Department that functions well. Second, the Hon. Member shows his level of comprehension is lower than that of the average Canadian taxpayer, because according to tests of our ads, the vast majority of Canadians think they are straightforward, easy to understand and useful.

Since the Hon. Member failed to understand the ads, this means he scores well below the intellect of the average Canadian taxpayer.

\* \* \*

*[English]*

## INCOME TAX ACT

## DEFERRED CORPORATE TAXES

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I should like to pursue this line of questioning but to move away from the collection of taxes to the tax system itself. To a growing number of Canadians it seems to be becoming increasingly inequitable. In 1983 major corporations in Canada had deferred taxes of more than \$22 billion, which was roughly equal to the 1983 deficit. What do these taxes mean? An executive of Consolidated Bathurst is quoted as saying: "If you ask me when I expect to pay, I'll tell you, never." This company currently owes the Government \$218 million in deferred taxes and it received a \$3.6 million tax credit for 1982.

What benefit do the people of Canada receive from allowing corporations to accumulate deferred taxes, particularly when they are of the opinion that they will never repay them?

**Hon. Marc Lalonde (Minister of Finance):** Mr. Speaker, I would be surprised if this executive were proven right. If he is, I doubt if his company would want to keep him for very long because, if the company does not end up repaying those taxes, that would only be because it will not be making profit for quite a few years. If I were a corporate executive I would expect that I would want my firm to get back into a position of making substantial profits and thus be in a position to pay taxes.

I suppose I can understand any corporate executive, like any individual citizen, preferring not to pay taxes. The fact is, however, that the tax incentives that have been given through the Income Tax Act to corporations, for instance, are on the basis of investment that the companies are encouraged to make in this country to create jobs, and to expand. As the Hon. Member knows, once those investments are made, either in expanding plants or buying new equipment and machinery,