

*Supply*

be able to rouse the Hon. Member for Ottawa Centre (Mr. Cassidy), on whom our colleague's comments seemed to have a soporific effect. I think it is important to clarify the Government's intentions with respect to tax reform. Mr. Speaker, you will recall, and I do not want to go back to early 1984, but you will recall that when we were elected, we promised that, as a Government, we would bring in a complete program for economic renewal, and this program included improving the tax system. Mr. Speaker, when we talk about tax reform, we are not talking about your usual budget with a few amendments to the Income Tax Act, as it affects personal income tax and corporate taxes, and some changes in the federal sales tax. We are really talking about the kind of tax reform that will be as important as the last one, which dates back to 1971. Last July, Mr. Speaker, the Minister of Finance (Mr. Wilson) announced his intention of proceeding with a study of the options the Government had for a thorough reform of the Canadian tax system. In October, he identified the specific guidelines for this reform. Mr. Speaker, I shall, if I may, repeat them here.

First, fairness; second, simplification; third, ease of compliance; fourth, balance; fifth, revenue stability; sixth, international competitiveness; seventh, economic growth; eighth, Canadian priorities; ninth, measured transition; and finally, Mr. Speaker, consultation.

The Minister of Finance is following these 10 guidelines to prepare the tax reform and the White Paper which will be announced on June 18. But why exactly? What do those guidelines mean, Mr. Speaker?

First, I believe that it is essential to ensure a fairer distribution of the tax burden so that Canadian taxpayers in comparable circumstances will pay the same amount of taxes. We must also ensure that corporations pay their fair share of taxes. Mr. Speaker, I shall not list the aberrations introduced in our tax system by the former Liberal Government. I shall only mention in passing the scientific research tax credit which lost billions of dollars in revenue for the Canadian Government and in assistance those who really needed it.

Mr. Speaker, I shall wait for the questions of the Hon. Member for Ottawa Centre before replying.

There is another point which should be emphasized. I recall that, when I was Parliamentary Secretary to the Minister of National Revenue, the Hon. Perrin Beatty, we said that self-assessment should be maintained and that Canadian taxpayers should work in co-operation with their Government in this regard. However, this does not mean that there is no need to simplify our tax system.

At the same time, we must bring back some balance to the sources of public revenue. In so doing, Mr. Speaker, we must take action to ensure that the tax system will become less dependent on personal income tax and that Canadian taxpayers have more money at their disposal. This is the purpose of our tax reform. Canadians whose taxes were too high will have more money in their pockets. Businesses which took advantage of the unfair benefits granted by the former Government will

pay a fair and reasonable amount of taxes. At the same time, the Government will have enough money to pursue its economic development initiatives and maintain useful programs. However, in this context, while we speak about our regions, our provinces and our country, we must also remember that Canada must compete with the United States, Japan, France, New Zealand, Australia and Great Britain, many of which are also reforming their own tax system.

Mr. Speaker, our tax system must be just and fair and deal strictly with tax matters; it should not be an income tax legislation dealing with regional development or economic development. Our tax system should help the Canadian economy, but the purpose of our tax legislation should not be regional development. At the same time, Mr. Speaker, that tax reform should help create a positive climate so that the people of Canada, with a little more money in their pockets, should be able to invest at the regional level in your riding, Mr. Speaker, in the Trois-Rivières constituency, in the constituency of my Hon. colleague, to invest in the Canadian economy and trust that Canadian economy and of course their tax system. Now, Mr. Speaker, those principles are the underlying principles of the tax reform which will be tabled by the Hon. Minister of Finance on June 18.

Opposition Members are against that tax reform. I can tell you, Mr. Speaker, and I shall quote—

**An Hon. Member:** Against the tax reform? But you—

**Mr. Vincent:** They are against the tax reform. That is what you said, that you were against it... I could quote, Mr. Speaker, from some of the suggestions and recommendations of a tax reform committee: "The Canadian tax system should be as close as possible to, but not necessarily a blueprint of, the U.S. tax system, it should increase the corporate tax rate instead of paying specific attention to profit transfers by foreign-based companies, instead of dealing with the appropriateness of a minimum tax calculation for companies, it should be used to establish tighter administrative controls for companies and to tax every source of income whatsoever, it should deal with the \$25,000 life insurance tax exemption". I could go on, Mr. Speaker, as there are several more pages of similar suggestions. Mr. Speaker, I have just quoted part of a report submitted to me by a group of businessmen in my riding of Trois-Rivières: Pierre Bettez, a chartered accountant; Pierre Dessureault, a chartered accountant with the Dessureault, Leblanc, et Lefebvre firm; Paul Lavoie, a consulting economist; Jean Morand, a lawyer with a Master's degree in tax administration, with the Jolicoeur, Lacasse et Simard law firm; Gilles Morin, a chartered accountant; Gabriel Pellerin, a chartered accountant; Luc Therrien, a lawyer with a Master's degree in tax administration with the Baumier & Associés law office, and Laurent Verreault, the Chairman of the Laperrière & Verreault group. Mr. Speaker, there was a meeting of those people in Trois-Rivières and I told them: We are working on a tax reform, and I would like to know what you, as professionals involved daily with such matters, would expect from that reform. And I have just quoted part of their report.