

Income Tax Act

Another value which is very important and which has been brought to sharp relief by this motion is the one to which my hon. colleague from Simcoe North referred—that the very basis of our tax system is one of self-assessment. It is an honour system. Granted, it is an honour system which is fortified by severe legal sanctions, but it proceeds on the premise that taxpayers will be honest in declaring their income and paying the amount of tax which they owe on it.

We have seen a very disturbing phenomenon develop in the country over the past decade. We have seen that men and women who are wage earners and have their tax deducted at source pay their fair share. In addition, the medium- and small-sized businesses have made their deductions and remitted their fair share to Revenue Canada. However, the very wealthy and the large corporations have taken advantage of the provisions which are in the legislation and, with the benefit of well-paid legal and accounting advice, the end result is that the amount of tax which they pay cannot be called their fair share. The Government has indicated that it will respond to that situation in the upcoming budget and that those provisions in the Act which now lawfully permit people to have exemptions and to take the benefit of programs, and as a result pay little or no tax, will be eliminated. I think it is high time for that to happen. When the working men and women and the medium- and small-sized businesses of the country pay their fair share and others do not, it is not hard to understand their feelings. It is like 12 people going into a restaurant and having a great lunch. We all eat our share of the meal, but when the waiter brings the bill, two or three people walk out without paying. The rest of us are left to pick up the tab. On a grand scale, that is what has been going on in Canada. It has been going on for too long, and that is part of the reason there was a change in government. It is also the reason there will be changes made to the tax legislation in the next budget. I would not have campaigned as hard as I did to be in this Parliament and I would not be a strong supporter of this Government if that were not the case.

I believe there is a problem at the other end of the economic scale in Canada, as far as collecting income tax is concerned. It has been referred to as the hidden economy. It is the thousands of transactions which take place every day when someone renders an extra service and gets \$20 or \$100, whether it be moonlighting or an extra job on the side. It is income which is never reported and tax is never paid on it. Amounts are estimated, but even the most cautious and low estimates of the value of that hidden economy are truly staggering. We would have a fair lower deficit today if the people who are earning that income would “fess up”, declare it and pay their fair share of the tax.

I sound one note of caution, Mr. Speaker, and that is that until we restore integrity to government spending and get value for the dollars which are spent, we should not judge too quickly those who are reluctant to send their tax dollars to Ottawa. When a person works long and hard in order to earn a livelihood in this country, and then sees the kind of prolific waste and runaway spending which went on in Ottawa and

realizes the state of almost despair it has caused in the last few years, it is hard to blame that person for being reluctant to send hard earned dollars to Ottawa to be poured into that big hole in the ground.

● (1730)

I believe, therefore, that we have a very special duty, as part of our mandate, to get the finances of this country back on a sound footing. We must also convince Canadians that they are getting value for dollars spent by the Government, thereby restoring the belief that each citizen not only has the great benefit of living in this country but should in fact also share the burden of paying part of the overhead. It is the first duty, perhaps, of a citizen to elect a Government for himself or herself, and that being so, the second duty is to pay a share of the cost of that Government.

I have heard a lot of people say, “Why should we be paying taxes? What are we getting for it?” It does not take long in this country to begin to put together a list itemizing the many things rendered through government programs which are of tremendous benefit. We are truly the envy of other countries in the world. If we have immigration problems, Mr. Speaker, it is because there are so many people around this globe who would love to live in this country. Canadians, in moments of realism, do not deny that fact. But the other side of the coin is that they must accept the responsibility of paying their fair share. That is why I believe that to proceed with this motion to give amnesty to some taxpayers who, through error or whatever other reason, did not pay their little share of the over-all load, is not perhaps appropriate in terms of the message it would send to the rest of the population.

Through our efforts we must ensure that there is not only fairness in the tax system but that it is seen to be fair. That is why the Minister of National Revenue (Mr. Beatty) has earned such respect in this House and indeed across the country. He has brought a clarity and sense of purpose to his Department in fulfilling his mandate as Minister of National Revenue.

There are a number of Hon. Members in this House who recall the task force which the Progressive Conservative Party sent from coast to coast a year or so ago. It talked to taxpayers about their legitimate grievances under the Liberal Government in the way in which the tax branch operated. It is truly incredible how badly off the rails that system went. The result of the task force was to yield up some 70 recommendations on how the position of taxpayers in this country could be made more fair. We are now in the process of seeing positive and prompt action being taken in implementing those common-sense recommendations, those ideas of fairness.

Just last week in this House, Mr. Speaker, notice was given that we will be changing the laws so that taxpayers will not be required to pay income taxes in dispute until a court has made a ruling on their appeal. They will be innocent until proven guilty, and it is high time that happened. Under the new legislation, Revenue Canada will not institute formal collection proceedings against a taxpayer during the 90-day period in