

Income Tax Act, 1986

[English]

Bill C-84 is the very centrepiece of the Minister's Budget. That Budget took nine months to produce. We had no Bill until November. Then, of course, it was pushed through the House and through committee. If there is one railroad that is operating well in this country it is certainly the one operated by Tory Members in the House of Commons.

● (1640)

I draw your attention to the comments of the Chairman of the Standing Committee on Finance, Trade and Economic Affairs, the Member for Mississauga South (Mr. Blenkarn), who last week had the candour to admit in the House that: "Unfortunately, in the rush to put the Bill through and complete it during the day the detail with respect to several clauses were omitted". That is what we have been up against. The Bill has been pushed through quickly and we now only have a few minutes left to comment on it.

I note that there are a number of intelligent Tory Members in the House this afternoon. I see that the Minister of Justice (Mr. Crosbie) is here. The injustice of this Bill must be very evident to him, as a former Minister of Finance.

How is this Budget and this Bill to be described? My Leader, the Right Hon. Leader of the Official Opposition, has described it as a sneaky Budget because it taxes in an indirect way by changing the indexation provisions of the Act. We pointed out during the report stage that the amendment to the indexation provision on personal income tax will, by 1990-91, add over \$4 billion to the federal treasury in one year alone. It is a direct assault on the pocket-books of the working men and women of this country. Indeed, it is sneaky.

The supply siders, of whom there are many in the House, regarded this Budget as a wonderful supply side Budget with its trickle-down effect. The House will recall the old horse and sparrow economics of John Kenneth Galbraith: "If you feed the horse enough there might be something left over for the sparrows". The thrust of that was the \$500,000 lifetime exemption.

Of course, it is not even a supply side Budget because it attacks the sparrows. It puts an avalanche of taxes on the low and middle-income groups of this country. It is not even a trickle-down Budget, but it might better be described as a dribble-down Budget.

I think I could best go back to that great Conservative parliamentarian, Sir Winston Churchill, and use the description he gave of Russia in 1939 to describe this Budget. It is a riddle wrapped in a mystery inside an enigma. I find this Budget incoherent, without direction and complex. The great mystery is why our Conservative friends not only want to shoot themselves in the foot, but directly in the head with these provisions.

The purpose of a riddle is to test the ingenuity of the person to whom it is put. I had a number of riddles I wished to put to my Conservative colleagues this afternoon. In the little time I have available I will put some for their consideration as they

rise and vote like so many sheep to support what is clearly a bad piece of legislation.

Why does the Minister of Finance (Mr. Wilson) want to encourage Canadians to invest outside Canada? That is the result of the combination of the proposed capital gains exemption, which is completely unfocused and can apply to a condominium in Puerto Rico or a boat in the Caribbean, with the proposed alternate minimum tax which penalizes people who receive dividend income from Canadian corporations. It is a clear signal to invite Canadians to invest outside the country. That is the first riddle.

Why does the Minister of Finance tell the House that he wants tax simplification but produces one of the most complex, convoluted and confused pieces of tax legislation that has been seen in this House since the early 1970s? Why does he intend to compound that error with an alternate minimum tax which further complicates a system when he should implement basic tax reform or at least produce a simplified version of a minimum tax? Why does the Minister of Finance tell us that he wants to reduce the deficit and at the same time forgo \$4.5 billion on capital gains exemptions by the year 1990?

Why does he bail out banks at a cost of billions of dollars? Why does he give tax rulings which run into the billions of dollars to permit takeovers such as the Gulf Canada assets by Canadian concerns? Why does he even go so far as to buy retail gas stations, many of them in the very province you represent, Mr. Speaker?

I would like to leave you with that riddle this afternoon. I realize that my time has expired and I thank you for your indulgence.

The Acting Speaker (Mr. Paproski): I regret that I was unable to hear the rest of the Hon. Member's speech this afternoon.

It being 4.45 p.m., it is my duty, pursuant to Order made on Friday, December 20, 1985, to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the Bill now before the House.

The question is the following one. Mr. Hnatyshyn (for the Minister of Finance) seconded by Mr. Epp (Provencher), moves that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the third time and do pass. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.