

Income Tax Act

I wanted to let you, Mr. Chairman, and members of the committee, know that I have been advised of this. I say this for the edification of those who do not know of this rule, and I hope my words will reach their ears. In any event, I find it makes things very difficult, when we find that such an important committee refers at length to this matter and arrives at important conclusions, that it is impossible for us to quote directly from their report. I find this confusing and perhaps in the future I will find the reason for it.

For instance, with regard to Bill S-9 which is presently before the justice committee, we are hamstrung in giving to members of the House and to the people of Canada the full benefit of all that has occurred in these surroundings. Perhaps in view of the importance of the conclusions that are reached and of the recommendations that are made in the other place, it is time for us to consider this matter in a critical and constructive way in order that without paraphrasing the whole proceedings we are to become aware of matters which occur in the other place and are of great importance to us. Thus, we could have some indication of what is going on there.

I hope that in raising my question of privilege I have not trespassed unduly on the time of the committee because, as I said, it is extremely difficult to make one's feelings known when we are not allowed to quote speeches or proceedings in the other place. I understand, also, that under the rules we are not allowed to refer to hon. senators by name. That is my question of privilege.

Mr. Horner: In rising to take part in the debate concerning international corporations and Canada's taxation policy, I cannot help but be drawn to the speech of the Minister of National Revenue delivered in Vancouver on November 16. He was quite right in the early part of the speech when he said, referring to the whole matter of taxation, that no subject has been so thoroughly discussed as tax reform—including weather—in Canada. He went on to say how thoroughly this whole matter has concerned the government. He said the following on page 2 of the speech:

Suffice it to say that while the government does not claim to have presented legislation for a new tax system that pleases everyone, I submit that Bill C-259, to a greater extent than any tax legislation before it, is the result of careful consideration of the collective views of a great cross-section of the Canadian public, as well as of committees of the House and Senate. On no previous occasion have Canadians had such an opportunity to contribute to the construction of a new tax system.

• (8:10 p.m.)

I am not disputing that statement: it is correct. But where does that bring us to today? About a month ago, after presentation of the bill, the minister tabled 148 amendments. Let us be honest about it, Mr. Chairman. Let us lay the cards on the table. The whole question before the country is: shall this bill pass before December? Can those who oppose the bill hold it up and still win public favour?

According to the Minister of National Revenue, the bill has been exhaustively studied. He thinks the Canadian people have made a contribution to it. In his terms the question is: how can a bill so good be held up by any responsible opposition? If the opposition holds it up then,

[Mr. Alexander.]

automatically, it must be facing complete ruination at the polls. No opposition party, so close to a federal election, would dare to hold up the bill. According to the Minister of National Revenue, everybody wants the bill passed. Yet the parliamentary secretary who has responsibility for piloting the legislation through the House leaves this chamber every day, shaking his head pessimistically and saying, "I cannot see any hope for it. I cannot see it going through at all. There is just too much opposition to it.

Mr. Mahoney: I have never said that.

Mr. Horner: The parliamentary secretary says that I am misinterpreting his remarks. That is fine; I stand corrected. I hope he places his exact words on the record before the evening is over. But I do not think I paraphrased him so incorrectly; I was nearly right, Mr. Chairman. The opposition is confronted with the question of whether or not the legislation is good or bad. Does it help one segment of our economy, or does it hinder it? Does it help one segment and hinder another? We have to analyse it.

The Minister of National Revenue at page 2 of his speech said:

—I am told that there are those who claim that the bill is complex and even some who claim that it is unworkable. Is the bill complex? Yes—

What did the minister say about the complexity of the bill as it applies to Canadian international corporations, Canadian corporations and Canadian taxpayers? At page 2 of his speech he said:

Once tax reform comes into effect, the increased need by taxpayers for rulings and interpretations will make greater demands on the limited numbers of staff engaged in this work. I am concerned about the problem involved in finding the additional staff that will be needed. The people required must be, or be capable of becoming, tax experts and, as you know, they are not easy to find. We are counting on many of those who worked on our task force in planning the introduction of the new law to transfer to this area. Already we have supplemented our staff with three lawyers and three chartered accountants for whose services we contracted with their firms. This has been most successful and in all cases we have been supplied with young, enthusiastic and most competent people.

I could read the whole paragraph. In his speech in Vancouver he posed the question: is the legislation complex? He answered yes. Then at page 7 of his speech he outlined the complexity which the ordinary taxpayer would face. He said we would need more tax experts, more chartered accountants and more tax lawyers. He said there would be more litigation. Where does all this leave the taxpayer? It leaves him frightened and scurrying for cover. That applies to individual Canadian taxpayers, Canadian corporations and Canadian international corporations.

What is the major problem facing Canadian international corporations? It is the uncertainty over tax reform. They are concerned about the question of Canadian policy with regard to foreign investment. This tax bill slaps their wrists. It will place increased taxation on them. These corporations also face the problem that arises from Britain entering the European Common Market. They face the problem of fluctuating international monetary rates and problems posed by phase two of President Nixon's economic program. It has often been said that Canadian business should reach out and make its mark in