

Income Tax Act

up in this House and tells us he is going to simplify the income tax system, he is going to reduce the deficit, or he is going to keep the price of gasoline low. He is not going to reduce the tax on gasoline by 18 cents. He would not do that at all. Since he has been in office, the tax on gasoline has gone up more like \$2.18 rather than down 18 cents.

There seems to be a preoccupation in the Liberal ranks with technical madness. If there is a simple way of doing something in the field of taxation, or anything else for that matter, and if there is a difficult way, they will invariably choose the difficult way. Let us look at the provisions of this Bill which deal with ISIPs. The goal, in general, is a laudable one. We want to encourage the investment in Canadian common stock and we want to shield taxpayers from a lump sum payment of capital gains. I suspect that the real reason they want to bring in the ISIP provision is not that they are overly concerned with the welfare of the taxpayer but that they want to tax some of the capital gains on an annual basis and not have to wait ten years before it is realizeable in the hands of the Government. The simple way of attaining those objectives would be fairly easy. All you would have to do, Mr. Speaker, would be to increase the capital gains deduction for common stock in the existing income tax form. Right now it is something like \$2,000. You increase it to \$2,500, or whatever you want. It is simple. You have to change one word in the Income Tax Act. People are used to having that line on their income tax form. It is a fairly simple thing to do. Of course, they cannot do that. They have to come in with this new very complex and complicated system. One of the reasons might be that if within the Department of Finance they have a system that is so complex and complicated that only very highly paid bureaucrats will understand what it is all about, then they will have to hire more. Maybe that is the idea behind it. If somebody wants to take advantage of an ISIP, he cannot do the administration himself. He will have to pay a minimum, we are told, of \$100 a year to have a brokerage firm keep track of his account. I know that that \$100 minimum is going to last only about five minutes if it is anything like RRSPs or similar schemes. It will help the computer industry because we are going to need banks and banks of computers in order to keep track of the myriad transactions that are going to occur. The ISIPs are going to be of very little help to the small investor. This was pointed out by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) who went into the matter of ISIPs in some detail. He told the House why the provisions would not act to the benefit of the small investor, but rather would benefit the professional trader. That is the person who will really be able to take some advantage of the ISIP provisions, not the little guy, but the professional trader.

● (1650)

The Conservative view is diametrically opposed to that of the people opposite and their friends to our left. We will, on coming into office after the next election, make a real effort to reduce the complexity of the Canadian tax system. Maybe our good friend, Peter Pocklington, went a bit overboard in some of his ideas, maybe he was a little naive, but there is certainly

something to be said for his approach to life. Each budget we would bring in, each income tax amendment or other tax legislation, would have a progressive simplification of the system; of that there is no doubt whatever.

The second point in the Bill before us, and I have cited this already, is that what it amounts to is a massive tax grab on the part of the Liberal Government. This again is in keeping with what the Liberal Government has been doing ever since it came back into power in 1980 and even before. Every tax change the Liberals have presented to this House has had the net effect of tax increases. Maybe there are some little provisions that might produce tax one way or the other but then that would be nullified by a tax grab of a great magnitude, so the net effect of every tax Bill the Liberals have brought before the Parliament of Canada while they have been in office has been a net increase.

The Liberals give taxpayers little breaks. They use them for sales purposes. They can read out long lists of tiny breaks. But on the other side of the ledger the Liberals come in with a big increase. Let us look at the Government's own figures for their forecasts of total budgetary revenue. I do not have the total revenue figures here, but I have the budgetary revenue figures. In fiscal 1982-1983, these are estimated at \$55 billion. Let us look at what the Liberals are going to do to us over the next years if they have their way. Four years hence, in the 1986-1987 fiscal year those same total government budgetary revenues are estimated at \$80 billion, that is up \$25 billion in four years. That is a 50 per cent increase in revenue which will be taken out of the pockets of Canadians in four years.

Let us look at the Bill we have before us in terms of how it affects the personal income tax payable by Canadians. The Hon. Member from Quebec, I forget his riding, who spoke before said they were going to give us a few little breaks. Obviously he did not read the Bill in any detail. But what will happen over that same period, 1982-1983 to 1986-1987, is that there will be a \$1.90 million additional take out of the pockets of Canadian taxpayers. If that is not a tax increase, I do not know what is. This is what the Bill is all about. It is taking more money from Canadians' pockets, and that is why we in the Conservative Party will vote against this Bill.

Some Hon. Members: Hear, hear!

Mr. Nickerson: That is their objective, to take more money from Canadians.

Let us look at the sneaky back-door Liberal ways in which they will do this. Let me give you an example, Mr. Speaker, of a little bit of the salesmanship the Liberals are going to try to use. They talk about the child tax credit. They say, "The child tax credit was \$326. Look at what we are going to do. We are going to increase it to \$343. Aren't we nice guys?" In that four-year period, that will be a reduction in the amount of government revenue in the amount of \$95 million. "Aren't we nice guys," they say. But if you look on the other side of the ledger again and see what they are going to do, you find they are going to maintain the 1981-1982 family income threshold. That is what they are going to do with respect to the child tax