

Income Tax

The over-all significance of our tax policies can of course be appreciated quite readily when we reflect for a moment on the fact that tax is the mechanism that appropriates over 45 per cent of our gross national product at all levels of Government. Instead of trying to address the problem by looking at that 45 per cent and seeing what we can do about that, this Government has taken the other approach and said, "What we will do is to raise the revenues to meet the expenditures. We will not cut the cloth to suit our incomes. We will adjust the income tax take by increasing taxes to the people of Canada; but we are not going to modify our expenditures".

The present Government has used the tax system to induce taxpayers to make certain investments. Later they criticize those who do make those investments for not paying their fair share of tax. Over the years the Canadian Government has introduced income tax incentives to encourage Canadians to invest in multiple-unit residential buildings, Canadian films and oil and gas drilling funds. They did that, presumably, with a view to creating homes for people; they wanted to develop a Canadian film industry and wanted security of oil supply, but no, those people who did that, the Canadians who responded by investing in these business ventures, are told that is unfair and that they are taking advantage of the system.

The Minister of Finance described the tax system as unfair and said that the well-advised or the wealthy very often pay less than their fair share. The Gospel according to the federal Government amounts to this: tax incentives are introduced, but when Canadians make use of them they become tax preferences or loopholes for the well-advised and the wealthy.

I want to ask the federal Government: who did it think was going to invest in MURBs and drilling funds and Canadian films? Did it think that the people drawing unemployment insurance were going to invest in these things? They were put there for a purpose. I guess the implication which I find very disturbing is that the federal Government now takes the view that the gross income of everyone accrues first to the Government, and if we are allowed to retain some portion of it, then this is an act of benevolence on the part of the Government. I think we should ask ourselves what place this attitude has in a free and democratic society.

Mr. Nielsen: A point of order.

The Acting Speaker (Mr. Blaker): The Member for Yukon is rising on a point of order.

Mr. Nielsen: Mr. Speaker, I hesitate to interrupt my colleague, and I do so with my apologies. I refer to an intervention made this evening by the Minister of Agriculture (Mr. Whelan), in which, I am informed, in my absence from the House, he purported to give notice under Standing Order 75C with respect to Canagrex, Bill C-85.

I want to note, Mr. Speaker, that ordinarily this would trigger a debate tomorrow before Government Orders for two hours. I want to serve notice now that we do not accept the propriety of the procedure adopted by the Minister in giving that notice tonight. We do not accept the notice. We will be raising a point of order tomorrow, immediately prior to

embarking on Orders of the Day, and leaving the question with the Chair at that time for its decision, presumably immediately, upon conclusion of the Chair hearing adequate argument as to whether or not the Minister, in giving that notice this evening, was in order, it having been given during a debate on a tax measure.

Essentially the position we will be taking is that if that procedure is acceptable we could be in the middle of a debate on the acceptability or the non-acceptability, for instance, of capital punishment and be served with notice, under S.O. 75C, of time allocation on Canagrex.

Essentially that will be our position tomorrow. I rise now to give the Chair due notice of that so you will have the evening and tomorrow morning to consider the matter, but we absolutely do not accept the notice as being proper. We presume that the Chair will be accepting our very well-reasoned arguments tomorrow and declaring that that notice is not within our practice, and we will be proceeding with the debate on Bill C-139 tomorrow in the usual way.

Mr. Smith: Mr. Speaker, I rise on that point of order. It was quite clear that the House Leader for the Conservative Party (Mr. Nielsen) has not read 75C, and I am sure that after he has had a chance to read it tonight he will rethink his position, because clearly the motion was in order. As to whether or not it was properly put is up to the Chair to decide, and not the Hon. Member for Yukon.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Mr. Speaker, I agree wholeheartedly with the Parliamentary Secretary with the exception of that portion of his remarks dealing with my not having read 75C. The Government having exercised its prerogative under 75C this session 14 times more than any other parliamentary session in Canadian history, I have certainly read and re-read and re-read 75C.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The Chair can recognize the Hon. Member for Calgary South, but I must indicate his time has expired. It is very close to 10 o'clock.

May I extend to the Hon. Member the privilege of continuing for a few more seconds.

● (2200)

Mr. Thomson: Mr. Speaker, I would like to say that Bill C-139 is the most complex piece of tax legislation to come before this House since Mr. Benson's White Paper on taxation. This Bill will hit very hard the low and middle-income Canadians who gain little or nothing from the legislation. There is one thing for certain. The proposals in this Bill will ensure the continued employment of two professions which have arisen through the complications of the income tax which have mounted since the 1960s. Those are the tax accountants and the tax lawyers.