

and the government's own projections of corporate tax revenue for 1992 show small increases.

The result is a shocking concentration of wealth and power in Canada and an excessive tax burden for the overwhelming majority of Canadians.

He then goes on to say that his statistics, of which he has a great many within his presentation, come from Statistics Canada, the Department of Finance, the Department of National Revenue or the Bank of Canada. His international statistics are from the OECD, the IMF or the U.S. Department of Commerce. He seems to have documented his material well. I am sure that it has been studied by others.

I would like to point out that he also proposes quite a number of alternatives to the GST. It has been my impression all along that there really has not been an adequate study of alternatives. The government has been trying to say that there are no alternatives.

He goes on to state:

Contrary to the Mulroney-Wilson oft-repeated line, there are many alternatives to the GST.

Higher, effective taxes on large corporations are the place to start.

An increase in the personal income tax rate for the top fifth of Canadian taxpayers is another.

More corporate audits and much more attention to transfer pricing would yield billion of dollars in tax revenue.

Tax audits by Revenue Canada on corporations have dropped dramatically in recent years from almost 7.5 per cent of corporations to less than 2 per cent. Revenue Canada has indicated in 1988 that for every dollar spent on audits over \$17 in tax revenue was collected.

If Canada had a wealth tax at the same rate as the OECD average, it would raise almost \$2 billion.

Progressive, but relatively small inheritance taxes could produce another \$2 billion.

Even a modest 2% reduction in interest rates would save some \$7 billion over four years.

As we are aware, there is a real need for a reduction in interest rates for other reasons altogether, as well as the reduction of government expense. From the standpoint of the economy and what we are presently faced with in terms of the recession we are into there is a valid reason for a reduction in interest rates per se, altogether aside from what this would mean to government expenditures.

Mr. Hurtig continues:

A reduction in the artificially high value of the Canadian dollar would aid exports, increase profits and produce substantial additional revenue.

Again, as an aside, we have heard from a previous minister of this government that there is an under-the-table deal. I know that members on the other side have said that that is not so. The unfortunate part is that the American counterpart in

this affair, the one who should know, is now dead. Thus, it is very difficult to get the proof from the one individual who would have it. Nevertheless, there is a former cabinet minister of this government who says that there was a deal to keep the Canadian dollar up.

Mr. Hurtig continues:

Luxury tax on expensive cars, expensive jewellery, expensive homes and other luxury expenditures should be introduced.

That is the exact amendment we proposed in this chamber recently. It was turned down by the Conservatives.

Mr. Hurtig continues:

Progressive, graduated corporate and individual income tax rates should be reintroduced.

There should be full taxation of capital gains as in the U.S. and in the U.K.

Artificially high depreciation allowances should be eliminated.

An increasingly large number of corporations pay no taxes on billions of dollars of profits. A minimum tax rate should be introduced on all corporate profits.

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Too many wealthy individuals pay no income tax on large incomes every year. There should be a minimum income tax in such cases as well.

Consideration should be given to charging interest on deferred corporation taxes and to accelerated collection of deferred taxes.

Finally, the entire tax system should be revamped to make it more progressive, i.e. based on the ability to pay.

As I said at the outset, Mr. Hurtig says that his statistics come from impeccable sources, and he enumerated those sources. I wonder if Senator Gigantès, who has done an in-depth study on this matter, has looked at, first of all, the Hurtig statements which I read at the outset and the Hurtig alternatives, and whether he can, at some stage, deal with the presentation made by Mr. Hurtig, because I had the impression that that was really not gone into in depth. I think when he made his presentation, he was limited in time and could not make his full presentation to the committee. Therefore I think it would be important to have someone like Senator Gigantès tell us whether he believes the statements are valid, and what he thinks of the alternatives.

Senator Gigantès: Thank you, senator. The statements are valid, and the facts he gives about the shift of the tax burden from the rich to the less rich is simply a statistical fact. All you have to do is look at it. It is there in the figures of Statistics Canada. That is what people elect a Conservative government to do, or rather those who finance the propaganda that helps elect a Conservative government, or buy the elections through massive advertising, and so on. That is what they elect the Conservative to do. That is not surprising at all.

You will find that what Mr. Hurtig suggests as a means of increasing government revenues without the GST is a cross, in