

The Budget—Mrs. Collins

is where the problem is, Mr. Speaker, and this is what the Liberal Party did with the country's credit card!

• (1630)

[English]

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member to explain his support for his Government and the Budget when the facts are that, through increases in sales taxes, excise taxes and income taxes, the average Canadian family will pay in 1988 \$1,000 more in taxes than it paid in the year before his Government took office, while at the same time 258 high-income earners who earned more than \$200,000 in the last year for which we have records paid no income tax at all. A number of the largest corporations, the most profitable in the country, either paid no income tax at all or, even worse, received a tax credit despite the fact that they made tens of millions or several hundred millions of dollars in profits. Where is the justice for that type of situation continuing to exist?

[Translation]

Mr. Vincent: Mr. Speaker, I am disappointed with the question of my colleague on the other side of the House. Such comments are an incentive for Canadians not to carry their fair share of the tax burden.

Mr. Speaker, it is not true to claim that hundreds of thousands of companies do not pay taxes. That is not true.

We did away with practically all tax loopholes. As it happens, Mr. Speaker, I am a tax lawyer. We did plug a few loopholes, because loopholes we had before, that is true.

Mr. Speaker, when the Hon. Member makes that kind of remarks he fails to tell the whole story.

Some companies do not pay taxes, true enough, but why not? Because they incur losses and under the law—like you, Mr. Speaker, like any other Canadian citizen—they are allowed to file a statement to that effect. The following year any Canadian is entitled to write off losses against income in that year. Mr. Speaker, that is the law, and the law is fair.

If I report a loss in any given tax year it is only normal that I be allowed to write off that loss against my income the next year.

From that standpoint, Mr. Speaker, it is true that some companies do not pay taxes, but that privilege is not extended through their entire corporate life, there has to be a specific reason why they do not pay taxes in any given year.

In my riding there are a few companies which did not pay taxes in 1986, and I am pleased about that because they account for 200 jobs. They posted a loss for the previous year, Mr. Speaker, but they did manage to keep those 200 jobs.

Mr. Speaker, if a company makes a profit the following year, I think it has the right to write off losses and continue to expand, continue to reinvest in the company, and continue to

create jobs and maintain sound economic activities. We all hope that today will be better than yesterday.

Mr. Speaker, the same principle applies in the case of individuals who do not pay taxes. Now that a minimum tax system has been set up, no longer are there any people who do not pay taxes, except for those who have incurred losses, supported charitable organizations, or made alimony payments. These are the only three reasons why a high, middle or low income earner will pay no income tax.

Mr. Speaker, it is about time the Opposition stopped misleading Canadians with all sorts of statistical data. We do not even know where they are taken from and they are not always true. They scare the people, they mislead them and also encourage them not to carry their fair share of the tax burden, Mr. Speaker.

We live under a system where all citizens must pay their taxes, Mr. Speaker, and you know as well as I do that between 75 per cent and 85 per cent of the money paid to the Government in any given year is returned directly or indirectly to the Canadian people, through interest payments, transfer payments to the provinces, old age security pensions, unemployment insurance, etc.

Only 20 per cent of the revenues of the State are used to administer the country, the remaining 80 per cent are returned to Canadian men and women. Mr. Speaker, I think that we are paying for that and the cost is high at that level.

[English]

Mrs. Mary Collins (Capilano): Mr. Speaker, I am certainly pleased to have the opportunity to speak on the Budget. It is the third time in the last four years that I have had such an opportunity following the presentation of Budgets by the Minister of Finance (Mr. Wilson). When the Budget was presented a short while ago one of the reactions that I received in my community in British Columbia was that it was boring. I tend to agree. In fact, I was quite pleased that it was boring because that is part of our over-all plan.

We have got away from the idea that every Budget should be full of new tax measures and all sorts of changes. We all wait until February, which is not necessarily the best time of the year, to make such changes. What we have done as a Government is to have introduced programs when it was appropriate throughout the year. A budget document comes forward now on a regular annual basis rather like a state of the nation summary in terms of our economic progress and with some adjustments, as we have seen in this year's Budget.

I see the Budget in terms of "steady as she goes". It is consistent with the plan of action that we set out in November of 1984 when the Minister of Finance produced his paper on economic reform.

I will not speak today about the other pillars of our policies which we have enunciated over the last three and a half years. I refer to the pillars of national reconciliation, constructive