

Government Orders

My point is that people are paying for these government policies. They are not necessarily paying in money; they are paying with their health, the health of their children and the future of their children because when those children grow up under those unhealthy circumstances, without decent diet, having to go to food banks monthly for a little food supplement, as do 700,000 now, they will not be as physically or mentally strong as they should be. If you want to put it narrowly, it is the future productivity of this country that is being undermined by this government's policy on taxation, on transfers to the provincial programs, and giving away the protection of our industry to their buddies in the American corporations.

• (1610)

I now want to go to the other side of the coin. I have talked about who really pays. Now I want to talk about who does not pay.

We always hear the same answer from the government benches that if you want to spend money on repairing broken roads or repairing broken children or whatever needs repairing, where are you going to get the money. They talk about the high deficit, the high interest payments on the deficit and say we cannot go any higher.

What they carefully avoid is any word about how they have let their friends get out of paying taxes. Some of it was begun before their time by the Liberal government but they have intensified it. One of the most obvious loopholes that has been mentioned and needs to be mentioned again is the exemption from capital gains tax. The first \$100,000 is exempt. After that it is taxed at only 75 per cent. Of the people who get that benefit there are no friends of mine, no neighbours of mine. None of the people who work in the factories in Trinity—Spadina get that benefit.

Well over 50 per cent of that capital gains money goes to 1 per cent, the richest 1 per cent in the country. The people who need it least get it most.

We in the New Democratic Party believe that it is reasonable that a homeowner, including a farmer, be protected in the sale of a principal residence, and that a small business person be protected in the sale of a business which may be the only means of security in old age except for the miserable pension.

That does not apply to the big majority of the rich people who get this gift from this government.

Also, as has been mentioned, there is the business entertainment and meals subsidy. With this government subsidy is usually a dirty word. They do not want to subsidize anything. Everybody must stand on their own feet. But this government subsidizes the wealthy businessman who takes his friends to—and it is mostly men—the ball game or to a restaurant for a birthday party and charges it off as a business expense. A billion dollars per year goes to those who need it least, those people who can eat in the best restaurants at public expense, subsidized by the public.

We are sometimes told it is a benefit to the restaurants and the hotels. It would be a much greater benefit to the restaurants and hotels to cancel the goods and services tax. That is what is causing serious depression and unemployment in the entertainment industry in downtown Toronto, in Trinity—Spadina and nearby.

This government is taxing those who have very little money in order to give luxuries to those who have more than they need to live.

There is also the write-offs for capital depreciation. Everyone knows how capital is reckoned by a factory as depreciating at a certain rate while the machinery continues to be used and used and used, often for many more years. There is probably about \$39 billion of taxes not paid or deferred on that machinery. Nobody knows when the deferred payment will be paid. Probably it will never be paid. Even if it is paid some time in the sweet by and by, that is \$30 billion of interest free loans to those who are rich enough to own those factories.

I know businessmen and businesswomen in Trinity—Spadina who have begged banks or begged the Federal Business Development bank, or begged the Ontario Development Corporation for a bit of a loan, maybe \$50,000, \$100,000, \$150,000 to tide them through the recession.

No, they are not good risks. They cannot have it. If they were multimillionaires, they would get far more than that as the benefit of these deferred taxes that they do not pay.

Finally, I want to point out that most workers in Canada, when they are lucky enough to have a job, are taxed at the source. I worked 18 years in a factory, and like everybody else, when I got my pay cheque, the taxes were already gone. So were some other deductions: