

Governments, both Liberal and Conservative, have given tax concessions without asking the fundamental questions which should be asked before providing concessions and tax breaks to corporations. What will a company which receives tax deferrals do in order to justify the Government of Canada giving that company the tax deferral? Surely, that is a major, fundamental question which should be asked of every corporation which applies for a deferral of its taxes. Without that, hundreds of millions of dollars will be given to companies and the Government will not ask for anything in return.

I would like to deal very briefly with another aspect of the tax system which I feel requires some examination before a Bill is brought forward to increase the sales tax by 1 per cent. I have already indicated that the increase will have a regressive effect. Information provided by Revenue Canada indicated that approximately 8,000 Canadians who had incomes of over \$50,000 a year in 1981—and that is the last year for which we have figures—paid no income tax. We know that there were almost 250 Canadians who managed to pay not one cent of tax on incomes of more than \$250,000. How can the Minister of Finance (Mr. Wilson) justify bringing forward a Bill which asks ordinary middle-income Canadians, who are paying between 20 per cent and 30 per cent of their total income on tax, to make that sacrifice when he has failed to approach the individuals and corporations who are not paying their fair share of taxes? It is because the Government has not addressed that question and has not provided its views on that matter that we will oppose the Bill.

I will conclude by summarizing the economic reasons for which we will oppose the Bill. We will oppose it because we believe that the increase in federal sales tax is extremely regressive. Everyone must pay the same amount on goods purchased regardless of their income level. I would remind Hon. Members of the thousands of Canadians with high incomes who pay no income tax, and of the millions who pay a substantial amount of their incomes in taxes.

In addition, we oppose the Bill because it takes over \$3 billion of purchasing power out of circulation. That will not help the Canadian economy, it will hurt it. Only by increasing the purchasing power of Canadians can we put the productive capacity of Canadian companies to more extensive use.

Finally, we oppose the Bill because the \$3 billion could easily be raised by ending many of the unproductive tax expenditures which are permitted for the corporate sector. In its most recent report, the Economic Council of Canada indicated that the enormous growth in corporate tax concessions during the 1970s had a questionable impact, and more often than not it was a waste of money. It has been estimated that the Government will spend \$18 billion this year in the outright grants and tax breaks which will be given to the corporate sector. If the Government needs more money to deal with the deficit, we suggest that it should get the money from those individuals and groups, and particularly Canadian corporations, that have the money but who are not paying their fair share of taxes.

Mr. Deputy Speaker: Are there questions or comments?

Excise Tax Act

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I would like to make a few brief comments regarding the Bill which is before the House. I would also like to make a few comments regarding the speech that was made by the Hon. Member for Winnipeg North (Mr. Orlikow).

First, when the Member speaks of skewing the tax system, he should refer to the Bill. In fact, the Bill provides relief for farmers and fishermen. As a rule, farmers and fishermen run quite small enterprises and operations. The Bill provides a considerable amount of relief for those people. If he is opposed to the Bill because this Government is doing exactly what the previous Government did—and that is skewing the tax system in favour of large operators and corporate entities—he should understand that the Bill does exactly the opposite. The Bill will provide tax relief for more than 330,000 farmers. In addition, it will provide relief for a large number of hunters, fishers, trappers and people in the logging industry. A large number of those people are very small operators. If the Hon. Member is opposing the Bill, he is opposing tax concessions for those people who very much need them.

The Hon. Member should also know that the only province in Canada which has an NDP Government has a sizeable provincial tax on fuel. The Provinces of Saskatchewan and Alberta do not have a provincial sales tax on fuel. He should be aware that the Government of Manitoba, which I assume he supports, is not carrying through with many of the matters to which he referred.

I congratulate both the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall) in recognizing the need for tax relief for farmers, fishermen and other people who pay a lot of tax.

With respect to the Minister of State for Finance, concerns were mentioned regarding the way the tax relief would be granted to individual farmers and fishermen because of the different ways fuel was held in bulk. We were very pleased that the Minister, with her officials, was able to work out a system where everyone would be able to have the tax reduction at source without paying it and then collecting it. That is in contrast to the previous Government which had on the books what amounted to a seven cents a gallon, or 1.5 cents a litre, tax which was then refundable. That caused all kinds of problems for the people who had to keep records and then submit them for a refund.

● (1230)

The Hon. Member for Winnipeg North (Mr. Orlikow) should understand that some of what the Government is doing is exactly the kind of thing he was criticizing this Government for not doing. I feel that point needs to be put on the record. I believe one of the reasons that the goings on in this place are disconcerting to the people who watch on television is that all they hear is complaining. It is fine that Hon. Members oppose the Bill, but they should oppose it on balance. They should say that there are some things in the Bill they do not like and some things they do like, but on balance they must oppose it.