

Government Orders

cynical and, as reflected in the polls, only 17 per cent of the people of Canada support this government and that is dropping.

Hon. Doug Lewis (Minister of Transport): Madam Speaker, just a short question for my hon. friend. Is my hon. friend for or against the loss carried forward provisions in the Income Tax Act?

Mr. Riis: That is an interesting question: "Is my hon. friend for or against". We recognize, Madam Speaker, that from time to time and particularly on certain kinds of businesses that carried forward losses makes good planning.

But do we really need to help Brascan? Is Brascan in that kind of financial difficulty? Is Xerox Canada in that kind of difficulty?

Mr. Lewis: For or against?

Mr. Riis: My hon. friend asks me to be more precise. Let me be more precise. If you are a farmer, and I am thinking particularly of some of the farmers with large farms who would qualify in the corporate sector in places like southern Saskatchewan who have lost their crops because of drought, who have suffered real serious difficulties, yes carrying forward some of those losses makes sense.

Mr. Lewis: Just farmers?

Mr. Riis: No, I am not saying just farmers. I am using that as an example. I say I cannot accept the notion that Power Corporation, Nova Corporation, General Motors, the Royal Bank of Canada and the Bank of Montreal some years pay no income tax whatsoever. That I cannot accept.

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I think that sometimes the hon. member puts a light on businessmen in this country that does them a disservice. Being a former business person from downtown Toronto, I know hundreds of people who work on Bay Street and do the best they can to be good corporate citizens. They read the Income Tax Act as it is and take advantage of the legal preferences and options that they have to reduce their tax base. Of course, we have developed this tax loss over the years as instruments of creating employment.

I should tell my friend that not only small businessmen are opposed to the GST. I have not found very many large corporations which support the GST. I think it is

very important that we do not taint all big businessmen in this country as being for the GST because in fact they are not.

I have been working hard on some constructive alternative to this GST because we do have a deficit and debt problem for which all of us directly or indirectly have a responsibility. My question to him as a senior member of the New Democratic Party is, has he looked at one of the possible options called the single tax? I would be interested to hear his views on it and if he has any positive remarks or even his negative remarks as to how it could be improved so that we could constructively advance this debate.

Mr. Riis: Yes, I have read the hon. member's book on the single tax and I think he makes a good point. I want to clarify one thing.

When I say that there are companies like the Bank of Montreal and the Royal Bank of Canada that in some years pay no income tax, that is not because they are doing anything wrong themselves. They are following the rules that the government provides for them. It is the government that is responsible for the fact that some of these large corporations pay no income tax. It has nothing to do with them. They are just following the rules that the government provides for them.

The point the hon. member makes that there are large companies that are not in support of the goods and services tax is a point that ought to be made. His book on the single tax as an alternative to the goods and services tax reminds me of the work we put into it as a political party, coming up with alternatives as well. I take him very seriously when he says that he felt an obligation to provide an alternative for consideration.

• (1830)

We too thought it was appropriate that if we are going to criticize the government's goods and services tax, we should provide an alternative. And we have. We submitted a paper as part of the finance committee and laid out in a very clear way a number of alternative steps that would generate the same amount of money for the national treasury as the goods and services tax.

His single tax has merit. I do not want to say more than that. However, it has serious problems in terms of being regressive in some ways, but that is not to say they could not be overcome as well by using refundable tax credits