

In any particular month a business may have to remit income taxes, employee deductions, GST, PST, municipal taxes, workers compensation and property taxes. It is very disheartening for small business people to be remitting two or three times as much tax as they make for the companies and themselves. This is the single biggest disincentive to job creation. It causes business owners to avoid expansion. It causes them to avoid staff hiring because of the support costs. It encourages an underground economy full of cash only deals. Excessive taxation is killing jobs and forcing honest people into a tax revolt.

• (1510)

Compare this situation with a place like Hong Kong where the tax rate for corporations is only around 15 per cent and the unemployment rate is only 1 per cent. Nobody minds paying their taxes when they get to keep 85 per cent of what they earn.

It is time that this government admitted it has a spending problem, not a revenue problem, and began taking steps to drastically reduce government spending. If it would do this the business sector would realize that something is finally being done about government spending, confidence would be restored and there would be a promise of tax relief in the future. This would encourage business expansion and the creation of new jobs.

I know this is true because I am from the small business sector, which is more than many of the government members can say for themselves. The light at the end of the tunnel would turn back on again and companies would begin reinvesting in new jobs and expansion.

We need to move the emphasis away from the public sector. We need to move it away from the public sector to the private sector if we are ever going to again experience a strong and healthy Canadian economy with the potential for adequate new job creation.

This House should be saddened by the lack of vision of the government side and I urge the government to take a real look at the situation. It is not magic, it just common sense. If we could get our corporate tax level down there would be a rush of all those businesses that have relocated into the United States back into Canada to create jobs for the people who need to live and work here.

Mr. Alex Shepherd (Durham): Madam Speaker, I would like to thank my hon. colleague for his speech and assure him that I come from the small business sector as well. I am a chartered accountant and worked many years with small businesses and I even have two or three of my own small businesses still in operation. Much to his chagrin, that is just not the case on the government side of this House.

Supply

The hon. member made a comparison between Hong Kong and Canada. That is very easy to do. He talks about a 15 per cent income tax rate, but he did not really tell us about whether Hong Kong has a medicare system or whether it has other kinds of social welfare systems that the people of Canada have learned to expect and live with.

I wonder if the hon. member could mention some of those points.

Mr. White (North Vancouver): Madam Speaker, I thank the hon. member for his two questions.

I am pleased to know that he has been involved in the small business sector. As a chartered accountant, which he says he is, he would know the tax difficulties that small businesses face. An accountant spends most of his time trying to help small businesses with their tax problems. Everybody knows that the taxes are too high.

I would also thank the member for bringing up the situation of Hong Kong. I put it into my speech exactly to elicit that sort of question.

Obviously Hong Kong is at the other extreme from Canada at which there are no social programs but everybody is working because they absolutely have to.

I would not suggest that we turn Canada into that sort of situation. I do believe that there is a position somewhere between where we are now and the situation that is represented by Hong Kong that would be a much better place for Canada to be today.

Mr. Julian Reed (Halton—Peel): Madam Speaker, in listening to my friend in the Reform Party talk about the \$6 billion as representing such an infinitesimal part of the gross domestic product, it makes me wonder if he has ever been a farmer or ever been a gardener and planted a seed. When one plants a seed it grows and it bathes in the sunlight and takes nutrients from the soil and multiplies. That is exactly what this infrastructure program is intended to do. It is the seed that we have planted.

• (1515)

In the great riding of Halton—Peel I have had reports from the municipalities which say that the choices they have made for infrastructure renewal will have a spin-off effect in those municipalities for the next 10 to 15 years. Therefore, I would say to the hon. member that when he is thinking about this investment in infrastructure this is not just a two-year wonder that will employ a few people and then end. If the projects are well chosen, I can assure him that it will help greatly with economic renewal in this country.

Mr. White (North Vancouver): Madam Speaker, I thank the member for mentioning the \$6 billion job creation program again. The B.C. share represents only .33 per cent of the spending on infrastructure for this year. It is very tiny.