

Minister rose and said that the reason for it was the \$1 billion contributed to agriculture, most of which is going to western agriculture. That is a red herring. It is not \$1 billion out of last year's finances, it is only \$300 million, and \$700 million will be coming out of the 1987-88 year.

We begin to realize why the projections of the Minister of Finance for deficit reduction were off when we look at the *Budget Papers* and see that the projections for corporate income tax for the 1986-87 year were off by some \$2,260 million. In other words, we find that some \$2.260 billion in tax dollars the Minister expected to raise from corporations were not raised. His projections for 1987-88 are off by some \$2.325 billion. Again, the revenues the Government was expecting to raise from corporations will be down by over \$2 billion in this financial year. That is why the deficit projections were off and why we have the type of deficit we have today. It is not because average Canadians are on a free ride with Government largess, it is because the corporate sector has not been paying its fair share.

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We see the same story told again through other tables presented in the *Budget Papers*. The Minister of Finance expects that corporate profits will increase over 20 per cent this year while revenues from the corporate income tax will only increase some 3.9 per cent. Profits will go up by over 20 per cent but public revenues from corporations will only go up 3.9 per cent. That is why we have the problem with the deficit, Mr. Speaker. There are folks out there who have been earning a lot of money who have not been paying their fair share.

Who are the people who have been taxed? When you look at the statistics, you begin to realize that it is the middle and the lower-income Canadians who have been carrying the burden of deficit reduction. An average two income family with two children whose income was \$15,000 will have its tax increased over 90 per cent. These people are living well below the poverty line, Mr. Speaker, yet that family's income tax has increased over 90 per cent.

It is not just higher income tax that families are paying, they are also paying more in sales taxes. The Government has dramatically increased the amount of taxes Canadians are paying through sales taxes. Not only is the Government now taxing manufactured goods, it is taxing granola bars, frozen yogurt, pop, vitamins, other pharmaceuticals and a whole host of items that were never taxed before. The major burden of that tax falls on lower income Canadians because a higher percentage of their income must go to the basic necessities of life.

Since this Government came into power, people earning \$15,000 a year are now paying 90 per cent more in taxes. People living at the poverty level earning \$20,812 a year have seen their taxes increased by 35 per cent. The middle-income person with an average income of \$42,000 a year has seen his income tax increased by 32 per cent. However, the individual

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earning over \$100,000 a year has been helped by the Government. It has offered the individual earning over \$100,000 a year all sorts of new tax loopholes. These individuals will only see their income tax increased by 2 per cent. Here we have a person living well below the poverty line, a two-income family with two children, earning \$15,000 a year whose income tax has increased by 90 per cent while another family earning \$100,000 a year has seen its income tax increased by 2 per cent. Is this fair, Mr. Speaker? That is the major question we have to ask today.

Take the case of a single pensioner in Vancouver with an income of \$9,312, that is the old age security and the maximum CPP. After deduction—his or her taxable income is \$2,521 and the tax payable is \$273 federal tax and \$4 in individual surtax. This single pensioner is trying to eke out a meagre existence on \$9,000 a year, which is well under \$1,000 a month on which this individual tries to exist paying tax. But, what else is there?

We find that TransCanada PipeLine in 1980 on \$102.5 million in profits and in 1981 on \$154 million in profits did not pay one cent of tax. In other words, \$256 million in profits from TransCanada PipeLine did not yield one cent of tax. With a tax rate of just 25 per cent, we would have been able to reduce our deficit by \$64 million, had TransCanada PipeLine been paying 25 per cent tax on the millions of dollars it has earned. But no, the TransCanada PipeLines of this world can go through life and not pay any tax. Meanwhile, the single pensioner in Vancouver on a meagre existence of \$9,000 a year ends up paying tax. Is it fair, Mr. Speaker? We in the New Democratic Party say it is not fair and it is about time that this unfairness was corrected.

Let us look at a family of four with one earner, one dependant spouse and two children, with an income of \$22,500—on the poverty line. This family lives in Toronto. That earner will pay \$2,329 in federal tax and \$35 in individual surtax. This family does not earn very much, well below \$2,000 a month, and is trying to raise two children in Toronto with high housing costs and is expected to pay and contribute over \$2,000 to reduce our deficit.

Let us take a look at trust companies. The Guaranty Trust Company of Canada paid no current taxes in 1978, 1979, 1980 and 1983 and a current tax rate of only 1 per cent in 1984 on profits totalling \$32 million. With a tax rate of 25 per cent, the Guaranty Trust Company would have paid \$8 million in taxes. One could go on with a list of trust companies that did not pay one cent of tax. Yet somehow the Government considers it fair that that family who is living on the poverty line in the City of Toronto trying to raise two kids is expected to pay over \$2,000 in taxes while trust companies do not pay one cent.

The Liberals and Conservatives justify these tax breaks because they claim investment is the engine of growth. Give the corporations a tax break and their profits will create jobs. With an unemployment rate that continues, and with the hundreds of billions of dollars in lost revenues from corporations because of tax breaks, surely that theory has proven to be