

Railway Act

its money from a sector for which it does not do its job adequately at all.

The companies that would be affected by this legislation include the largest of the communications companies, Bell Canada, as well as B.C. Telephone and smaller communications companies such as Terra Nova Tel, NorthwestTel, CNCP Telecommunications and Telesat Canada.

A substantial number of companies will be affected by the legislation. Bell Canada has enormous profits. B.C. Telephone is not quite as large but it is also a pretty substantial company. Last year its operating revenues were \$1.4 billion and it had after-tax profits of nearly \$100 million. That is the kind of money out there in the industry. If the Government collected corporate taxes with the same vigour it pursues personal taxes, we would not be worried about getting an extra \$6 million. In effect this is a tax increase for corporations. However, it is a small increase; it is under 1 per cent.

● (1220)

Let us look at the tax increase average Canadians have faced over the last couple of years. Of course they have been enormous. As well, there has been a deindexation of the family allowance, tax increases in personal income tax, and increases in sales tax and excise tax—the hidden taxes. We must be concerned about the way the Government is collecting taxes through sales tax and excise tax. The use of hidden taxes is not a very healthy way to collect money. Individual taxpayers are being soaked. However this is a tax increase, as long as the CRTC does not allow companies to pass it on to subscribers. As I said, it is a very small tax increase for companies which are doing extremely well with their monopolies.

The CRTC did its job properly on Bell Canada last week. It was a record-making decision. Over \$200 million will be rolled back and there will be a reduction in long distance charges as of January 1. It is an extremely important decision, worth over \$200 million to consumers. We must ensure that there is not a reversal of this decision with the \$6 million and that the decision actually takes effect. I hope the Government has given the decision some thought. I also hope that we will have a firm commitment from the Government that it will not reverse the CRTC decision. Of course Bell Canada is entitled to go to the courts. The Government of Canada cannot stop Bell Canada from going to the courts, but at this point it could at least say that it will not reverse the CRTC decision. That would be a very important statement. At least that commitment could be given.

Bill C-4 before us today poses the risk that consumers will be charged more, depending on what is done by the CRTC. At the very least, the Government should come clean with taxpayers and subscribers and say that it will defend the CRTC decision. It should ensure that the \$6 million will not be passed on to consumers and that the \$200 million will stand as it is.

In conclusion, I have some reservations about parts of the Bill. Certainly matters can be looked at in committee, such as the retroactive question or, being very specific, or the purpose of the Bill in terms of cost recovery. We do not want to see it as simply another way of raising taxes indirectly, which is not the way taxes should be raised. Aside from the very particular points which can be addressed, I think cost recovery is appropriate in this area.

I am sorry the Government is not more frank about its role in life. I am sorry it is trying to parade this past us as a measure which will do a lot more than in fact it can do. It will not reduce the deficit. Even if it were a larger amount, it would not reduce the deficit. It is a very modest measure. I do not object to the direction in which it is going, but let us not pretend that this increase to, a very small tax for very wealthy corporations will put Canada's financial house in order and address the deficit. Certainly this bashing of the public sector, that somehow if we clean up the public sector and forget about the fact that corporations are not paying their fair share, will not wash. The Government could have presented this piece of legislation in a fairer or straighter way to the Canadian public, but its substance in terms of cost recovery is appropriate.

Mr. Jim Caldwell (Essex—Kent): Madam Speaker, I should first like to congratulate you on your new position. Certainly it is good to see one woman in the chair and one man about to speak on the Bill this morning. Indeed it is a pleasure to address Bill C-4, an Act to amend the Railway Act. It supports a basic principle of the Government to establish a business-like approach in the conduct of its own operations.

Before addressing the Bill directly, I should like to raise a couple of comments concerning those of the Hon. Member for Mount Royal (Mrs. Finestone) who indicated that there are more poor people in Canada now than there were before the Government took over. Since the Government has taken over, the number of Canadians living below the poverty line fell by 300,000 last year, the first such decline since 1981. Real family income increased last year for the first time since 1980. I just wanted to ensure that the record was straight in that regard so that Canadians understand that the Government is getting people off the welfare rolls.

Mrs. Finestone: The record should show that I talked about disposable income, not about the level of poverty.

Mr. Caldwell: Since the Government has come into power, some 600,000 jobs have been created and 328,000 jobs have been for women, which should please the Hon. Member for Mount Royal. I could go on, but I know that I must deal with the topic at hand.

I should like to revert a little and deal with the cultural field. The Hon. Member did not mention some of the initiatives taken by the Government, very recently as a matter of fact. The Government is in every way supporting the cultural and communications industry like no other Government has for many years. Of course the CBC was brought into operation by