banking jobs back to Montreal. I am sure he probably said that thousands upon thousands of banking jobs would be moved, despite all the evidence to the contrary.

First, I wish to comment on some more general provisions related to Bill C-64. It is an Act to amend the Income Tax Act, the Canada Pension Plan, and the Unemployment Insurance Act, 1971. It is the annual hodgepodge or grab bag of different measures that have to come forward in order to stop tax avoidance and to put into force a number of technical measures announced at the time of the Budget in February, 1986.

One of the things that I feel strongly about now, in terms of the Department of Finance playing fair with people in the tax field, is that there should be a better means of handling legislation that relates to tax avoidance, which may well be necessary—it often is—than ministry press releases which may or may not be adequately reported across the country, in many cases followed some months later by legislation.

Where these measures are taken, and often there is no choice but to move very quickly, they should be gazetted, tabled in the House of Commons, or there should be some other means to officially notify those taxpayers who may be affected.

I do not wish to defend those particular taxpayers. Many of them are wolves, sucking the Canadian taxpayer and the Treasury dry with all types of elaborate schemes which, although legal, are certainly designed to take money out of the pockets of average Canadians and put them into the pockets of well advised rich Canadians.

• (1210)

I must say as well that there are a number of sections in the Bill which at least deserve some attention. The Bill perpetuates the refundable sales tax credit at a level which is fairly inadequate. It is meant to compensate people for what they spend in terms of sales tax if they are very poor, but the amount of credit is reduced by five cents for each dollar of family income in excess of $15,000. Therefore the effect of that is that by the time the family gets just above the poverty level it gets no more refundable sales tax credit at all. In fact, I believe the present level is $50 per adult and $25 for each child. If we reduce that by five cents for each dollar of family income, this means that by the time a family reaches an income of $16,000, which is far below the poverty line, there is no sales tax credit.

We all know that the sales tax is a regressive tax. We know that it bears more heavily on people who have to spend all their income on consumption than on people who are able to save part of their money because they are well off. Nonetheless, the sales tax credit remains inadequate.

The Government is also continuing the 3 per cent surtax which came into force in the 1986 Budget. That particular surtax of 3 per cent a year applied to all taxpayers and, as a consequence, it had the impact of being a tax increase of $104 per year for an individual earning $30,000 per year, a tax increase of $177 per year for a $40,000 income earner with a wife and two children, and a tax cut of $450 for the same individual if he happened to earn $100,000.

Once again an unfair tax measure is being perpetuated by a Government whose tax policies are unfair and whose tax reform proposals which will come before the House in a few days, will be unfair. It is a Government that does not understand what fairness is all about, which is one of the reasons it stands so low in the opinion polls. It is a matter of shifting the burden from rich to low and middle income Canadians.

The Bill also has a number of other measures which are at least interesting. Clause 57 it provides for advance tax on corporate distributions of corporate surplus. This is an anti-avoidance measure. It interests me that the Government has stated that it is opposed to the advancement of the margin tax which was proposed by the finance committee in its recommendations to the Government and in its report tabled about a month ago, yet, at the same time the Government is not above using a refundable tax on corporate distributions. In other words, it is not the instrument to which it objects. It objects to a tax which would start to collect adequately from the banks that only pay 1 per cent or 2 per cent of their profits in tax right now, because of the inadequate tax policies of the Government and because of the inadequate tax policies of the former Government headed by the Hon. Member from Bay Street, who also happens to represent Vancouver-Point Grey. He and his adversary, who is our adversary as well, the Hon. Member from Cleveland or the Hon. Member for Manicouagan worked together to ensure that Canada's banks pay next to no tax. As the finance committee pointed out, they only pay 1 per cent or 2 per cent of their income in tax. That has been the picture over the last few years.

This year the banks are incurring a loss, but in one year they will be able to offset almost all the hit they are taking at the direction of the Superintendent of Financial Institutions because of bad loans which were made to Third World and developing countries. In fact the banks, in their annual reports, are priding themselves on an exceptionally high level of operating profits, which would have resulted in record profit levels had it not been for the need to accommodate and write off some of the foreign loans that have turned bad.

At the same time Canadian taxpayers will be paying their taxes for 1987, and that means the shipbuilders in Lévis, if they have jobs; the fishermen on Vancouver Island whose jobs are now threatened, or fish processors whose jobs are threatened because fish may be sent in raw form to the United States under the recent GATT ruling; and the farmers in western Canada who can barely survive because of the situation of the agricultural industry. Those taxpayers will be paying tax for 1987 at the same time as the banks are being allowed to have their profits written off against bad debts because of imprudent loans which they made a few years ago.