

Excise Tax Act

refunded when he drives to town to deliver grain. If he goes to town he uses gasoline and that gas has increased in price by approximately seven cents or eight cents a litre since 1984. All of these things discriminate against people who live in rural areas and I wonder if the Hon. Member would comment on that.

• (1230)

Mr. Riis: Mr. Speaker, it is a pleasure to comment on that point raised by my colleague. I do not want to cast aspersions on my friends in other political Parties because I do not think it is an outright plot against the regions. I think it occurs because of a lack of sensitivity, both in the bureaucracy and among some cabinet Ministers from large metropolitan areas. However, a lot of these policies do discriminate against Canadians living in the regions.

I notice my friend from Western Arctic is here. He would be particularly sensitive to these kinds of taxes. We have the tax on gasoline, and everyone has to travel over large distances in the regions. There is a tax on aviation fuel and airline tickets. Then we have the tax on long-distance charges. My hon. colleague mentioned about the parent calling his children at school from home, it being a long-distance call. He has to pay an extra 10 per cent if he wants to be in touch with his children or their teachers. We say these things are not fair and a lot more thought has to be given to the tax system to ensure that certain Canadians, particularly those who live in the regions, are not discriminated against.

Mr. Dorin: Mr. Speaker, what we have seen is a classic NDP speech arguing both sides of the issue. On the one hand they call for more to be done in virtually every single area of government programs, including things to be done by Government where it is not now involved. On the other hand, they decry the taxes collected to pay for these programs. They pretend that the money will come magically from somewhere other than the taxpayers of Canada. That is, of course, nonsense. First, what specific programs or spending would he eliminate to reduce the burden on taxpayers? Second, what specific loopholes or shelters would he eliminate in the tax system?

Perhaps he could start by talking about flow-through shares because a few days ago his Party moved a motion in this House condemning the Government for action it had taken in that area. As we all know, the Minister took that action to reduce the benefits to investors in tax shelters involving Canadian films, oil and gas exploration and mining. Those kinds of investments allow wealthy lawyers and doctors in Toronto to avoid paying taxes.

Does he agree with reducing the tax deduction available to \$1 for each dollar spent, or does he think we should continue to allow more than \$1 to be deducted for each dollar spent and allow these wealthy, \$200,000 or \$300,000 a year Canadians to eliminate their tax liability?

Could he answer those specific questions? What programs would he cut and what tax shelters does he agree with which the Minister of Finance (Mr. Wilson) has changed, and which would he suggest we eliminate?

Mr. Riis: Mr. Speaker, it is useful to occasionally remind ourselves that our job as parliamentarians is very straightforward. It is to collect taxes and invest that money in an appropriate way. I think we fail on both counts. We do not collect them properly or fairly. I hope I have demonstrated that clearly.

One thing I did not mention was the issue of capital gains. I do not want to take many pages out of the U.S. book to demonstrate what we should do in Canada, but not only does Ronald Reagan's Government tax profitable corporations with a minimum tax, which we do not do, it also taxes capital gains. In other words, they say a buck is a buck. If you make a dollar you should pay a fair tax. We say if you make a buck from certain sources you do not have to pay taxes at all. Is that fair? If you make a dollar speculating on the Hong Kong Stock Exchange why should you not pay some tax on that dollar as opposed to a person working in a mine, mill, factory or office in a typical Canadian town? Why not? We are simply saying, let us do what any sensible country would do and tax a buck as a buck and leave it at that.

I am also concerned about how the Government invests its money. My hon. friend is from Edmonton. He will know that the Ghermezian brothers of Edmonton's infamous Fantasyland went to the Government and said, "Look, we know we are one of the richest families in Canada and we have one of the major industrial and economic empires in Canada but we would sure like a \$5 million hand-out so we can put some more fancy rides in Fantasyland". The Government fell over itself to give them \$5 million just like that.

The Alberta Government did the same thing with Peter Pocklington a few days ago. He needed a nice big loan guarantee—no problem because he has good political connections. I cannot imagine what \$5 million that the Ghermezian brothers got to assist in the development of Fantasyland would have done for small businesses all across western Canada. They do not want \$5 million, they want \$10,000 or \$20,000 or \$30,000.

That is why I say this Government lacks sense in determining how it invests the money. I would much rather invest \$5 million to help hundreds of small businesses expand than help the Ghermezian brothers add a few rides to their entertainment park. It is absolutely silly and that is part of the problem.

To go to flow-through shares, let us make it very clear that not every tax incentive is wrong. There are a number of very good incentives where we get a good return. One of those programs was flow-through shares. It did not do much good for downtown Toronto or urban Canada, but it did a great deal of good in rural Québec, northern Ontario, in the West and in parts of eastern Canada. Yet the Government cut it out. It said