

Excise Tax Act

Mr. Keeper: How can the Conservatives justify the fact that they have increased the tax burden on the ordinary family by some \$1,500 over the last three years? Have they asked everyone in the country to pay their fair share? Clearly they have not had the courage, the will, or the intention to ask corporations to do that, not just any corporation, but profitable corporations. What about wealthy individuals? There are people in this country who make more than \$50,000 and \$100,000 in personal income and who, because of tax write-offs pay no taxes.

During the last federal election the then candidate for Prime Minister, now Prime Minister, (Mr. Mulroney), promised a minimum income tax, after he was prodded in that direction by the Leader of our Party who was calling for real tax reform. In the televised leadership debate the now Prime Minister then stated that he would bring about a minimum income tax. Once he got into office he moved as slow as a snail, as quick as a turtle, and eventually did bring forward some form of minimum income tax. At that time we welcomed the fact that he was taking action. But we also wanted to take some time to see whether or not this tax was going to bear fruit.

What studies and commentators have found is that the minimum income tax on wealthy individuals introduced by the Conservative Party is having a marginal impact. Because of exemptions, many of those wealthy individuals continue to pay no taxes. How can the Conservatives ask the ordinary Canadian family to pay more taxes, while many wealthy individuals who earn \$50,000 or \$100,000 pay no taxes? The whole question of taxation is one that leaves the ordinary Canadian with a sense of unfairness, that they are being asked to pay more while others are getting a free ride.

I would like to address the matter of tax reform and this matter of the continual pattern of tax increases by the Conservative Government from another perspective, that is, from the perspective of revenues, and what revenues could be collected if we asked those people who are getting a free ride now to pay taxes.

For example, in his annual report the Auditor General has identified \$30 billion to \$40 billion of tax write-offs which he says are questionable; there are serious questions about whether or not these tax expenditures achieve the public purpose objectives for which they were put in place. I am referring for example, to incentives for investment to create growth and employment. The Auditor General, who is an objective officer of Parliament, has stated that these tax write-offs do not achieve the objectives for which they have been established. Those are tax expenditures, forgiven taxes in order to achieve certain objectives, and the Auditor General says we do not know whether those objectives are being achieved and there is no basis upon which we can confidently say that they are being achieved.

• (1540)

We are giving up revenues. Instead of giving up those revenues for questionable purposes and collecting them we could provide some tax relief for the ordinary families. I want to assure you, Madam Speaker, that, based on my experience of talking to hundreds of citizens in my own riding of Winnipeg North Centre, the average family today is feeling the burden of taxation. People are fed up with this burden and they are angry that they are continually being asked to pay more and more and more. We allow these tax expenditures of \$30 billion or \$40 billion to leak through the tax system sieve. If we collected those revenues, a portion of them would provide the money for some tax relief for ordinary families who would not have to face such a heavy burden of taxation.

Now, \$30 billion or \$40 billion is a significant amount of money. Not only could we provide tax relief with it but we could also use it to attack some of the most glaring social problems in society. Canadians are compassionate. We have a sense of justice and a sense of fairness. It is shocking that we have people who are homeless and that there are children who do not have a roof over their heads. Some families do not have enough to eat. There are extremely acute social problems which could be attacked if we collected the tax revenues which are now being expended in a questionable way, according to the Auditor General. What about the tax increases which the Conservatives have brought about? We ought to look at revenues which the Conservatives are allowing to slip away. People who are getting a free ride in our society, the powerful and the wealthy, should pay their fair share, then we could give some relief to the ordinary family and take action on some very acute problems such as those of the homeless and hungry.

I want to approach this question of Tory tax increases, so-called tax reform, from another perspective. What are our priorities for the revenues once we collect them? If we are increasing taxes, the Government must have a purpose for the money which is being taken out of the pockets of ordinary Canadian families.

This Government has embarked on a program of having nuclear submarines. Estimates of the cost of this program are in the neighbourhood of \$8 billion. When I consider that, I have serious questions about the Government's judgment that it has to increase the taxes for ordinary Canadian families. Is the reason for increasing taxes that the Conservatives want to play this macho game of nuclear submarines, spending billions of dollars to purchase them so they can play in the big leagues with the Americans and Soviets? Could they not find an effective, more modest and realistic way of achieving the security objectives of Canada without wasting the money of hard pressed families on the purchase of nuclear submarines?

It is ironic that we are embarking on the possibility of purchasing very expensive subs from France, for example, a country which is giving us such a hard time with the fishery in Atlantic Canada. Why are we offering to give billions of dollars to a country that says it does not care what happens to