

Excise Tax Act

provided all of these tax loopholes that the companies naturally take advantage of legally. For example, the insurance companies, banks and trust companies together pay an average tax rate of less than 2 per cent. An average working Canadian pays much more than that.

In closing, I want to say that the best thing we could do would be to ask government Members to vote against this Bill and give the consumers of Canada a break from the nickel and dime tax increases that have occurred year after year.

Mr. Hockin: Mr. Speaker, I would like to ask my friend a question. I will not ask him about the 850,000 Canadians who have been removed from the tax rolls as a result of tax reform because he is aware of that. He is also aware that those who earn \$30,000 per year or less will pay a smaller portion of federal Government revenues than those who make more than \$30,000 per year as compared with before tax reform. He is also aware that tax reform will lower the federal sales tax, broaden the base and then give back a generous credit, all of which he did not mention. All of these actions make the system fairer.

I did want to ask the Hon. Member if he was aware that the NDP Government of Manitoba increased sales taxes from 5 per cent to 7 per cent. Is he aware that the NDP Government of Manitoba brought in a payroll tax which is applied across the board? What concerns me particularly as a Minister involved in the finances of Canada is whether or not the Hon. Member is aware that if the NDP Government of Manitoba had just kept its spending to the annual growth of inflation, it would have today a \$250-million surplus instead of the huge haemorrhaging of a deficit it has.

Mr. Riis: Mr. Speaker, my hon. friend has asked a number of questions and I will try to respond to all of them. First, I am aware that a number of the people who were drawn into the tax net two years ago, people who were then paying taxes for the first time in their lives, one of them being my father who is in his eighties and now has to pay taxes on his income and was not very happy about that, will now go off the rolls. In other words, many of those people who will be brought in through excessive taxes will be taken off the rolls because of tax reform. I do appreciate that fact, but those people who will be taken off were only there because they were drawn in previously.

Second, I think I did say at the outset, with all generosity, that part of the problem with hidden taxes as well as taxes generally is that provincial and federal Governments are equally to blame. I do not make the distinction that certain Governments are better than others or more concerned. Generally when it comes to taxing beer or wine or increasing gasoline taxes, a great deal of the blame has to be placed at both the provincial and federal levels.

I accept the point the Hon. Minister is making in this respect. That does not justify it or even explain anything. One of the differences, of course, with the Province of Manitoba is

that there is a much fairer system there. Many of the profitable corporations that had not been paying taxes in the past are now paying taxes as a result of tax changes made back in 1984. There has been some attempt at imposing fairness in the system, but the point the Minister makes is valid.

I would like to use this occasion to tell the Minister of State for Finance (Mr. Hockin) about two concerns that have been raised, both concerns which affect my constituents in British Columbia. First, tens of thousands of people affected by the Principal Group collapse have been asked to pay taxes on imputed income from their investments in the Principal Group. The Minister knows that these people do not have any investments now. Their investments are gone or frozen and no one knows what will happen. Yet the Government has imposed taxes on what it perceives to be money coming in.

Mr. Hockin: This is going to be looked after.

Mr. Riis: The Minister has said that this will be looked after, and I assume it will be. It is obviously so grossly unjust and unfair. We will be awaiting that announcement, and I am pleased that it has been Members of my Party who have raised this matter with the Minister in the House of Commons on a number of occasions.

The major corporations in Canada have over half a billion dollars in outstanding taxes, not deferred taxes. The matter of deferred taxes is a whole different question. There is \$30 billion in deferred corporate taxes, and that is open for discussion. However, I am talking about the 121 profitable corporations that owe the federal Government over \$500 million. These are taxes that the corporations agree they should pay, we agree that they should pay but they just do not pay.

A farmer, a rancher or a small business man who does not pay his taxes will have the tax man on his back. The tax man will squeeze that money out of him one way or the other. Let us take the same approach to all businesses, small and large, so that these 121 major corporations with \$500 million in unpaid federal taxes will pay up what they agree they ought to pay. This then would enable us to move away from the nickel-and-dime approach, this continuous imposition of taxes on an innocent public that has really had it right up to here with the taxes they are required to pay.

Mr. Hovdebo: Mr. Speaker, I live on a farm in central Saskatchewan and I want to ask the Hon. Member a question about the effect of these taxes, and I will only mention a few, on people who live in rural areas.

In my community, if a parent wants to call his child at school, he has to call long distance. If he wants to call the hospital, he has to call long distance. If he wants to get welding rods for repair work, he has to call long distance. If he wants to order fuel, he has to call long distance. This appears to be very discriminatory. Then when he does go to pick up the welding rods or his child, he has to drive an extra 20 or 30 miles. I must add, however, that the tax on gasoline is