

Income Tax Act and Related Acts

What has happened? We have tax reform. Many of the corporations, not all of them, are not paying any tax. Wealthy families are going to receive a very substantial tax cut. However, when we take a look at the entire situation, we find that most Canadians will be paying more in taxes after this tax reform measure than they did in 1984 when the Conservative Government was elected.

I only have 10 minutes to try to cover the whole taxation field, and that certainly is impossible. However, in the few minutes I have left there are two things I want to point out. First, I want to put forward an amendment, as I indicated earlier, and second, I want to say that we have not dealt with the whole question of what the federal Government is going to do with the federal sales tax.

● (1820)

We know that a federal sales tax can be fair or completely unfair. We also know one additional thing, that is, that people with lower and average incomes will have to spend a larger percentage of their take-home pay on basic goods and commodities. If they are taxed on each and every good which they purchase and each and every service that they use, they will be paying higher taxes to the federal Government than they are at the present time. It will not do them very much good to have a low income tax if, when the second shoe falls, as the expression goes, they end up paying more when the new sales tax measures are introduced. I find it meaningful and scary that we will not know what the Government's plans are with regard to a federal sales tax until after the next election. Here we are on July 21 and the Government is moving quickly with what it calls tax reform because it knows that it is good news for it for the next election. But it will not tell the Canadian people what the total tax bill will be until after that election is finished. I find that basically dishonest. It is certainly advantageous to the Government, but it is basically dishonest in terms of what and how it is telling the people of Canada in terms of what it would do as a government.

I realize that my time is up. I would like to move, seconded by the Hon. Member for Ottawa Centre (Mr. Cassidy):

That the amendment be amended by deleting the word "Corporation" at the end thereof and substituting the following therefor:

"Corporations, and because the Bill fails to ensure that corporations make a fair and regular contribution to federal tax revenues by imposing a minimum corporate tax."

Mr. Deputy Speaker: I will reserve on the admissibility of the amendment for a few moments. On debate, the Hon. Member for Edmonton—Strathcona.

Mr. David Kilgour (Edmonton—Strathcona): Mr. Speaker, I would like to speak against the motion.

Some Hon. Members: Shame!

Mr. Kilgour: The trouble with my friends opposite is that they are—

Mr. Murphy: Reasonable.

Mr. Kilgour: No. I know them too well. I know what they have done in British Columbia and in Saskatchewan, notwithstanding the Hon. Member for Regina West (Mr. Benjamin), and what they have done in Manitoba. They have managed in their periods in office in those three provinces to—and part of it had to do with the question of raising taxes on average-income individuals, low-income individuals and against the business sector—to drive thousands and thousands of jobs out of those three provinces while they were in office.

Mr. Benjamin: Get off it!

Mr. Kilgour: I remind the Hon. Member for Regina West that when Mr. Douglas was the Premier of Saskatchewan for many years from 1944—

Mr. Cassidy: We balanced the budget.

Mr. Kilgour:—until the sixties, Saskatchewan was the only state outside, I think it was, East Germany which had a drop in population. I ask the Hon. Member for Regina West to explain that when he gets up to speak.

The fact of the matter is, as he knows as a Regina Member, many people from Regina, Saskatoon, and young people from the North and vigorous people from the West of the province left to go next door to Alberta where the business climate was open and where taxation was not oppressive—

Mr. Benjamin: More of them left Alberta.

Mr. Kilgour: Some of them even went to Manitoba. Then we elected the Government of Mr. Schreyer in Manitoba. I know it sounds incredible but I am told that more than \$2 billion in assets left the Province of Manitoba because of his taxation policies.

Mr. Benjamin: Who told you that?

Mr. Kilgour: I think that the Hon. Member can find out quite quickly how that happened. Companies, individuals and families simply moved their liquid assets, their mobile assets, out of the province, again to the advantage of the Province of Alberta.

Then we had Mr. Barrett, who was the Premier of British Columbia for three years, which was too long. At one point there was one mine—and we all know how important mining is to British Columbia—in the entire province that was profitable, I am told in part because of the taxation policies of Mr. Barrett.

What I am saying, of course, is that socialist Governments whether in western Canada, Europe or wherever have managed to remove so many incentives for people that they end up causing unemployment, causing people to leave and generally cause great problems for the economy.