

The Address—Mr. Heap

those who have less. We can go back only to 1981 when the then Government reduced the marginal tax rate for people who were earning the higher incomes and saved them a total of \$1 billion or \$2 billion a year. Of course, it transferred that burden to people earning lower incomes.

In 1982, family benefits and other social benefits were deindexed down to 6 per cent and 5 per cent when the inflation rate was running at twice that. At the same time, the Government renewed tax breaks for investors so that they could invest money and have it protected against inflation.

We jump to 1984, during part of which the present Government took over, and we find that a regressive sales tax, against which the Government preached when in opposition, was adopted as soon as it became Government. That is a tax primarily on the poor and middle-income people.

The next year the Government gave the \$500,000 capital gains gift to the wealthiest people, people who earn \$70,000 or \$80,000 or more a year. Again, the Government increased the sales tax. In 1986, a 5 per cent surtax on upper-income Canadians was replaced by a 3 per cent surtax on all Canadians and another 1 per cent increase in the sales tax.

We have no word in the Throne Speech that any of those injustices will be undone. There is no word that the buying power of the vast majority of Canadians will be in any way restored by reversing those unjust tax changes. Therefore, considering what is not in the Throne Speech, it looks as though we will get more of the same. What we have now is a situation in which a family at the poverty level has lost about \$435 per year. When a family at the higher level of \$100,000 a year loses \$400, that is 0.4 per cent of the income. However, for a family that receives only a couple of thousand dollars a year to live on, it is very serious to lose \$400 in this kind of regressive taxation.

The fact is that over the last 35 years, the share of income tax paid by individuals has trebled and the share of income tax paid by corporations has, accordingly, been cut in third. To put it another way, the situation now is that by 1988, when the present legislative tax changes are completed, sales and excise tax increases will have yielded more revenue to the federal Government than the revenue coming from personal and corporate tax increases combined. That is called a policy of soaking the poor.

This has been the unbroken pattern of the Government's policy. There is no hint in the Throne Speech that there will be any change, which is very unfortunate. The fact is that not only are rich individuals being let off without paying taxes, as many thousands are, others who pay taxes sometimes pay less than middle-income people. It is also a fact that there are very large corporations paying no tax at all. The Argus Corporation, in 1985, made \$51.7 million profit but paid no tax. Power Corporation paid no tax on \$152 million. In 1983 there were 27 non-financial corporations with profits of more than \$25 million, each of which paid no tax at all. There were 37

financial corporations that year making \$25 million or more each in profit and paying no tax at all.

Some of the very largest corporations in Canada get away with paying no tax in some years. During the last five years, at one time or another, General Motors, Chrysler, Shell, Hudson's Bay, Nova and TransCanada PipeLines Limited all made profits but paid no tax.

We have some of these big corporations in Spadina. Women from Spadina go and clean their offices in the night. Immigrant women leave their children in the evening for five hours to go and clean the offices, usually for the legal minimum wage or perhaps ten cents over that wage. Within a few minutes walk of some of the very richest corporations in Canada, including Cominco, Bell Canada Enterprises, Noranda, Inco, F. W. Woolworth, Mobil Oil, and Canadian General Electric, women living in very poor houses get bottom wages for cleaning the offices of these companies, many of which pay little or no tax, while the women who clean their offices have to subsidize them by their taxes. Perhaps their daughters subsidize them by working in the garment industry on Spadina Avenue.

While this is not mentioned in the Throne Speech, perhaps the intention is to study this question. I would like to see these corporations report to us with a breakdown, year by year, of their tax breaks, according to programs, the amount, geographic location, how much the federal Government has kicked into those companies through tax breaks, how much the Departments and agencies of the federal Government have provided in financial assistance or in the form of grants and contributions and loans in the last 15 years, since this give-away program to the corporate welfare bums was initiated under the Liberal Government. In the case of loans, we would like to know what were the terms of the loans and whether they were repaid or simply quietly forgiven after a couple of years.

If the Government is serious about tax reform and has any real compassion about the four million to six million people living in poverty, according to our statistics, and others who are living close to poverty, it will examine the give-aways to these large corporations and restore income tax on the wealthy individuals of this country. It will restore an effective corporation tax from which corporations cannot be excused because of loopholes, as well as lower taxation on the working people of this country, most of whom do not have the means of finding these loopholes and using them, and the unemployed who are often required to pay tax to subsidize the very companies that dump them on the pogy line.

● (1420)

We heard this morning some very scornful comments about how reliance on pogy—unemployment insurance benefits—is spreading to the west. I think it would be much more to the point to ask where all the money goes which is generated in the west, whether it be from oil, grain, or the railway industry.