

because under this government the small businessman has to beg for funds and is usually turned down—is in excess of some \$6 billion a year, when you average it out over the past few years of this government's budgets. I am including here the direct tax deductions and also the various tax deferrals.

● (2152)

The theory of all these corporate income tax breaks is that they will help stimulate jobs. Indeed, in the last budget or mini budget of the Minister of Finance we found that companies like Inco were given tax breaks in the millions of dollars. What was the result? There were layoffs by the thousands. The same kind of thing happened in respect of companies like Northern Telecom which has laid off over a thousand workers, and Alcan in Newfoundland.

I could go on and on indicating how these tax cuts, which were supposed to benefit the economy through stimulation and job creation, are not working. Indeed, this is money down the drain. It is less money for the federal treasury, and if corporations are paying less in taxes you know who has to make it up. It is made up by you and me as individual taxpayers, Mr. Speaker.

We have this phenomenon of corporate taxes declining while corporation profits increase. These tax breaks are not creating the jobs we were promised. We also find that the effective tax rate of corporations was 29.6 per cent in 1970 and that it declined to 26.6 per cent in 1975. Corporations are contributing less proportionately to the federal treasury than ever before. If we look back a few years we find that in 1950 personal income taxes contributed about 20 per cent of total federal revenues, and in the same year corporate income taxes contributed 28 per cent. By 1974, the last year for which statistics are available, personal income taxes contributed 38 per cent of federal revenue whereas corporate taxes contributed only 16 per cent. Indeed, we see quite clearly that corporate contributions as a percentage have been declining.

The tax breaks to large corporations are costing Canadian taxpayers more each year than federal spending on health care, old age pensions or other programs the government argues it must cut back on because it does not have the money.

I submit that we need drastic reform of the whole tax system. We will not get it from Liberal or Conservative members. Both those parties oppose the Carter royal commission recommendations on taxation. They argued for the idea of a progressive income tax system, that a buck is a buck and that you cannot get around this idea of progressive taxes by implementing all these exemptions and tax deductions which benefit the upper income Canadians. That is what the Carter Royal Commission recommended, and the opposition from big business and a number of Conservative and Liberal members was immense indeed. Thus the main recommendations of that commission have not been implemented. We as taxpayers, certainly as individual taxpayers in the middle and low income levels, have been paying for that ever since.

If we cleared our personal and corporate tax systems of these unfair subsidies, especially for the wealthy and for the

large corporations, then taxes for ordinary Canadians, workers, small businessmen and farmers could be cut substantially. At the same time, our federal government would have new revenues to supplement existing social and economic programs.

Surely we have the opportunity to use our tax system to bring about fairness, to try to help end the anomalies and injustices that burden so many of our citizens who are trying to make ends meet, facing horrendous mortgage payments or rents, seeing the cost of the necessities of life increasing every day, and who want some economic justice but do not get it from this government, especially in the field of taxation. Instead they find that the system comes down hard on those who can least afford to bear the burden.

Surely if we consider ourselves a civilized country we should end this discrimination in our income tax system. We should be moving toward the concepts advocated by the Carter royal commission on taxation. We should be closing the loopholes and making the very wealthy sector of our economy, in terms of the large corporations who have received from this government since the Prime Minister took office some \$10 billion in deferred taxes, pay its share. This \$10 billion deferral has been allowed without interest. If you or I, Mr. Speaker, happen to be late in our income tax payment, we have to pay interest; but not these corporations with \$10 billion in deferred taxes.

We should begin to collect some of that money and put conditions on the other tax breaks we give. I am not suggesting we should never have tax breaks, but we must put some iron-clad conditions on them in respect of job creation and economic expansion, instead of just signing a blank cheque for these corporations to bank the money.

We have to get our economy back on the road. We cannot tolerate much longer the horrendous cost of over one million unemployed. This is a cost in terms of less tax revenue coming into the federal treasury and in terms of unemployment insurance payouts. Canadians want to work. They do not want welfare. When I look at the economic policies of this government I become very, very discouraged and disheartened. There are opportunities to bring about reform, and one of the areas where we can start is in respect of the income tax system, so as to lessen the burden on those Canadians who work so hard only to see their earnings dissipated because of an unfair tax system.

We need a government that will use these new found revenues by implementing a fair tax system to institute economic programs that will get Canadians back to work and this country on the road to prosperity again.

Mr. Mazankowski: Mr. Speaker, in light of the hour I wonder if I might call it ten o'clock?

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BUSINESS OF THE HOUSE

Mr. Paproski: I rise on a point of order, Mr. Speaker. I should like to know whether there is a minister or a member