

province tries to take advantage of the fact that they have initiated a certain tax measure.

• (1920)

Their hands are tied in many respects in a way that the federal government's hands are not. That is why it is so absolutely crucial that we get some leadership from the federal government. In the meantime provinces can be different one from another in how they deal with the off-loading and what they decide to do with that fact, what they choose to cut and how they choose to cut it. I think provincial governments will have to come to be judged not by the fact that they were forced to cut back but how they went about it and what they cut back.

Mr. Lyle Dean MacWilliam (Okanagan—Shuswap): Mr. Speaker, I have a question for my colleague, the member for Winnipeg Transcona.

With respect to the whole situation of level of taxation we often hear the concern, and it is a legitimate concern, that Canadians are overtaxed. When we look at the level of taxation in Canada as compared to the two dozen or so nations in the OECD we find that Canada is right about in the middle. Over all we do not pay excessive taxation. It is when you look at how much taxes individuals pay compared to the corporate sector where you find the discrepancy. Individual Canadian taxpayers pay a very heavy amount whereas corporate Canada pays very little in comparison when you look at the percentage breakdown.

Going back to the 1950s corporations and individual taxpayers shared about an equal amount in terms of the over-all tax revenues collected, about 50-50. Ever since then the level of income tax that individuals have to pay has gone from about 50 per cent almost up to 90 per cent whereas the level of taxes that the corporations pay has gone down steadily from that level of 50 per cent to approximately 10 per cent.

The discrepancy is very large and has been one that has been magnified or exacerbated by the policies of this government.

I wonder if the member for Winnipeg Strathcona would like to comment on this very real discrepancy we see in the level of taxation.

Supply

Mr. Blaikie: Mr. Speaker, I think the member makes a good point that the relationship between corporate and personal income taxes in this country is way out of whack. At one point, as I think he mentioned, it was somewhat in the neighbourhood of 50-50, 50 per cent corporate, 50 per cent from personal income tax. Now personal income tax makes up far and away the largest share of that kind of tax and the corporations are down to around 10 per cent or 15 per cent and it gets lower all the time. Again this is a trend that had its beginnings with Liberal budgets in the 1970s. It is a trend that has not stopped.

It is a trend that this government has not been willing to put a stop to either in terms of corporate tax rip-offs or tax breaks and also in terms of the breaks that have been given to the very wealthy in this country as a result of a deliberate self-conscious policy on the part of the government.

The present Minister for International Trade, formerly the Minister of Finance, said in his first budget the problem with Canada is that we do not have enough rich people. He has succeeded in making some people rich but he has done that by making a heck of a lot of other people a lot poorer than they were and he has done that by changing the income tax system so that the people in the top percentage pay a whole lot less than they would have had we kept the system that was in place when they came to power.

As far as Canadians being overtaxed, obviously certain Canadians are being overtaxed in relation to other Canadians. The middle class in this country, those who play by the rules and pay the bills in this country, are the ones who are being taxed to death. They are the ones who cannot afford the accountants and the lawyers to figure out how not to pay taxes. They are the ones who basically this government and this country depend on in order to finance the workings of Canada. They are the ones who are overtaxed. But even they have to keep in mind, and I think we all have to keep in mind, that when we compare ourselves to some other countries, particularly to our neighbours to the south, that when we figure out our tax burden here we are also figuring into it the cost of our health care.

• (1925)

I know that many Canadians will go across the border and they will notice that the taxes on liquor are next to nothing and the taxes on this or that are next to nothing and they say: "Wow, terrific. Why can't we have a tax system like the Americans?" What they do not realize is