

the wringer by the Minister's Department, and who have been acquitted by the courts, get an apology from the Minister in writing? Will he stop this practice of giving it one more shot at their good name to try to damage their reputation in the community?

[Translation]

**Hon. Pierre Bussières (Minister of National Revenue):** Mr. Speaker, I think the Hon. Member should make a basic distinction between the fact of putting an entire group of individuals under one heading, and the basic issue: Does recognizing the fact and saying publicly that an individual has been acquitted also help to remove any negative effects there may have been as a result of that individual being charged? I think that ought to be clear.

That the heading of the press release may have confused and misled the reader, Mr. Speaker, if that was the result, I apologize on behalf of the Department for this confusion.

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[English]

### INCOME TAX

#### RATES OF TAX PAID BY INDIVIDUALS AND BY BANKS

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, recently a great deal was said about the unfairness of the tax collecting system. Surely an area of equal concern is the unfairness of the tax system itself. Therefore my question is directed to the Minister of State for Finance, in the absence of the Minister of Finance.

Considering that Canadians in the \$18,000 to \$20,000 bracket pay at the rate of 20 per cent on their tax scale, recognizing that many Canadians in the \$50,000 range pay no tax at all, and that institutions such as the Canadian banks, with hundreds of millions of dollars in profits, paid at an average rate last year of 8.1 per cent, and two of the major banks paid not a single penny in income tax, could the Minister of State for Finance explain how this system of taxation is fair?

**Hon. Roy MacLaren (Minister of State (Finance)):** Mr. Speaker, the tax system enables taxpayers in certain circumstances to benefit from "loss-carry-forwards" and "loss-carry-backs", tax credits from situations which occurred at earlier times. The Hon. Member opposite will know that there are deductions provided in the tax system which enable taxpayers in temporary situations not to pay tax in any one year. Almost invariably those situations are transient. They are not of a permanent character. For the Hon. Member opposite to give the impression that there are those who can indefinitely avoid paying taxes would indeed be misleading.

With regard to the profitability of banks, I am sure the Hon. Member opposite will be aware, although he did not mention the fact, that the accounting system for major banks, as required by the Bank Act, is of a different nature than that used in business generally. Therefore it is misleading, again, to

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suggest that the banks are enjoying massive profits which are detrimental to our economy in some way that the Hon. Member seems to have in mind.

**Ms. Jewett:** There was not much enthusiasm in that answer.

**Mr. Riis:** Despite what the Minister has indicated, the return on equity, as he well knows, for banks has been consistently in the 16 per cent to 18 per cent range for the last two decades. I do not think there is a single other sector which could make that particular claim.

#### BAIL-OUT OF CORPORATIONS—USE MADE OF GOVERNMENT FUNDS

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I want to raise with the Minister something which the Chairman of Victoria and Gray Trust raised the other day, something which we have been saying for a long time, that government bail-outs of corporations are really nothing more than subsidies given to Canada's banking system.

Considering the subsidies which the Government has been giving corporations and thus through the back door subsidizing banks, and considering the tax breaks and other benefits given to banks, how do Canadians benefit from a system whereby banks, such as the Bank of Montreal, which paid no income tax at all last year, took its money and purchased the Harris Bankcorp in the United States for \$673 million? Would he explain how that helps Canada, how those subsidies and breaks help Canadians, and how that kind of corporate behaviour helps Canadians?

**Mr. Speaker:** That is not in the nature of a supplementary question. However, if the Minister chooses to reply, he can do so.

**Hon. Roy MacLaren (Minister of State (Finance)):** Mr. Speaker, I am not sure to which of the eight questions the Hon. Member wants me to reply. I suppose that I could best take the first one. He alleged that the bail-out of companies by governments, whether provincial or federal, is somehow detrimental to the total public benefit. The Hon. Member opposite should be aware that in a number of cases such assistance has been of fundamental importance in keeping jobs and in keeping prosperity in place within industry, and that the temporary assistance the Government has provided has been of real benefit in terms both of employment and of the general prosperity of our country. If the Hon. Member opposite wishes to ascertain that, he might well address himself to the UAW in the case of Chrysler.

**Mr. Riis:** I have a supplementary question.

**Mr. Speaker:** Perhaps the Hon. Member could make a supplementary question. The nature of the question is such that the Minister is invited to make a very long, lengthy reply, which is hardly fair to other Hon. Members. Can there be a supplementary that is short and to the point, please?