

the number of personal income taxpayers quadrupled by comparison with total corporate taxpayers. During those same years, unemployment rose from 3 per cent or 4 per cent to 12 per cent. In other words, the policy of taxing the poor to subsidize the rich went hand in hand with growing unemployment. To tell us that more of the same disease will in some mysterious way cure us is an insult.

● (1550)

It is recognized that one of the greatest job creators in the country is the small business sector. Yet our tax system taxes that sector at a rate that is 50 per cent higher than the rate at which it taxes big business. There is also the matter of tax deferrals. The total amount of money that is outstanding in tax deferrals is now more than \$25 billion, almost the same amount as the deficit. If those corporations were to pay their taxes, there would be almost no deficit at all to be used as an excuse for high interest rates. This Government, and in its few months in office the Tory Government, made no move to collect those taxes. The Government will harass ordinary working people for \$100 or \$300 and sick the tax collectors on them, but the big corporations never have to pay their taxes even though the country is supposedly worried about the deficit. Who gets that \$25 billion? Ninety-five per cent of it goes to corporations with more than \$10 million worth of assets or, in other words, the big corporations.

As well, small business pays a greater share of its profits to the other forms of taxation, the Canada Pension Plan and the unemployment insurance fund. The pension plan and unemployment insurance are a heavier burden on the profits of small businesses than on the profits of big businesses. This was shown to be true by the Canadian Federation of Independent Business.

Finally, Mr. Speaker, I would like to comment on the way one particular sector of big business contributes to this injustice which is leading to the ruination of the country. In 1971, banks paid about 50 per cent of their profits in tax. In 1982, they paid 8 per cent of their profits in tax. In 11 years, that amount went down from 50 per cent to 8 per cent. In 1982, for example, the Bank of Montreal made a profit of only \$239 million. Therefore, it was too poor to pay tax. It got a tax credit. Working people earning \$10,000, \$15,000 or \$20,000 a year were robbed by the Government in order to give \$22 million to the Bank of Montreal. The Royal Bank made a profit of \$330 million and did not pay taxes. It received a tax credit of \$28 million. That is robbery, Mr. Speaker, as carried out by this Government. Not only does the Tory Party not protest this but indications are that if it were to change places with the Government, it would carry the same program perhaps even a little further.

The banks have acknowledged that 40 per cent of their investments are made outside of Canada. Wealth that is created in Canada is moved by the banks to countries like Brazil, Mexico or South Korea, many of which are military dictatorships with unstable Governments which may never be able to repay those loans. Because of the glitter of high interest

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rates, the banks have invested in those countries money that they took, partly through this Government's tax system, from working people and small businessmen and women, money which the banks now refuse to restore to the economy.

Small business people in Spadina have often not been able to get loans even when they were willing to pay the extortionate rates which are being charged, because the banks have been lending that money out of the country and financing takeovers by Dome, Massey and other companies which have not created jobs.

This budget carries further the extremely unjust principle of giving more to those who have too much and taking from those who are desperate. It is ensuring that there will be no real recovery in the country. It is ensuring that the depression that has begun will deepen. This situation will not be corrected by the people to my extreme right because they have the same philosophy on this matter as the Liberal Government, which is to soak the poor with socialism for the rich. I am very sorry that it looks as if this Budget will be put through by the two old Parties, because it will hurt the people in Canada who are already being hurt the most and it will freeze the economy of the country.

**Mr. Bill Kempling (Burlington):** Mr. Speaker, I would like to comment on the Hon. Member's closing remarks. The Ways and Means motion, Bill C-2, will be passed by the three old Parties based upon an agreement made by the House Leaders of those Parties to pass this Bill by Wednesday of next week before we rise to take our Christmas break.

In the ten minutes that I have, Mr. Speaker, I would like to add a few words to the debate on Bill C-2. I might say that it is too bad that it has taken eight months to get to this point in the debate. Bill C-2 is a Bill which, as you know, Mr. Speaker, flows out of the April Budget, and here we are finally passing the Bill into its final stages in December.

From my perspective, the most welcome things in this Bill are the investment tax credits because, indeed, many businesses are in deep trouble as a result of the economy. Those businesses which can call themselves survivors and have lived through the 1981-1982 recession are struggling along in 1983 with damaged balance sheets, stripped earned surplus accounts and, in some cases, capital accounts, and they are hanging on by their fingernails through the good graces of a bank managers who feel that if they have survived this long, they may survive long into the future.

The key to the future for all businesses is what will happen to interest rates down the road. I would like to spend a few moments talking about that. The Gross National Product is up slightly but housing starts have dropped 41 per cent since the housing grants were used up. We will have to watch whether or not capital spending increases as a result of the investment tax credits. Anyone who studies the capital spending trend will know that capital spending thus far this year is 27 per cent below what it was in 1982, and 1982 was not a banner year.

When we talk about capital spending, we are talking about jobs, plants, machinery and the acquisition of assets for pro-