

Government Orders

government's eyes. Changes are required in the Income Tax Act so that they are not double taxed on U.S. investments and the fact they live in Canada. The whole matter of tax protocols, tax treaties and the resultant changes in the tax act is something anyone would support.

It is the process that troubles us. We are talking now about the principle of the bill. This is second reading. We are talking about the principle of the bill, that the government and the Senate feel that the matter is of top priority and that we have to do something to facilitate the financial concerns of a handful of very wealthy Canadian families. I doubt it. I doubt if Canadians would recognize it as a top priority.

• (1340)

I find it surprising that my friends opposite, including the Parliamentary Secretary to the Minister of Finance, would have the courage to stand in the House of Commons to say that we have to spend hours today, if necessary, to help a handful of wealthy Canadian families get a better financial deal on their tax bills. There is something cynical about that.

No wonder Canadians are cynical about the government. It is the same members who said to all Canadians not many months ago that if they elected the Liberals they would abolish the GST. That was said from coast to coast to coast, constituency to constituency throughout the lower mainland of British Columbia, throughout southern Ontario, throughout the province of Quebec, et cetera. Liberal contenders in the election said: "If you elect us we will abolish the GST".

The Deputy Prime Minister said that if the GST were not abolished within the first year she would resign her seat. To be fair, I wish we could believe these folks. Canadians are saying that they believe they are actually telling the truth. When my friends from Toronto said to their constituents: "You elect me and I will abolish the GST", they believed them; they said yes.

Bringing some financial tax pain relief to every Canadian is not a priority. As my friend says—and I believe what he says—we will eventually get to it. I suspect that rather than abolish the GST they will abolish the name GST and keep the tax. They might do a bit of harmonizing and so on to broaden it even more so that more items would come under taxation. We could refer to the province of Alberta. Albertans will now have all goods and services taxed as opposed to none.

Changing the GST is not a priority but Bill S-9 is. I wonder how many of my Liberal friends across the way actually know what is in the bill or how many Canadians will benefit from it. Those people that have \$600,000 or \$1 million in investments coming from the United States will benefit. How many Canadians does that account for?

Mr. Silye: One per cent.

Mr. Riis: My friend from Calgary says 1 per cent. I doubt it is 1 per cent. We should not be giving priority to tax policy that addresses the concerns of less than 1 per cent of the Canadian population.

My hon. friend from Calgary Centre made a point that was well taken. He said that most times when we are trying to change the Income Tax Act we use the normal process through the finance committee and various other subcommittees to look at tax exemptions and ask whether they are of benefit to Canada. My friend from Toronto will know about this; he has been working on them for many years. Do they result in some benefit? Often when we have done a cost benefit analysis we have found that they have not. From time to time the government has eliminated tax exemptions or what some of us call tax loopholes. Even the Minister of Finance is using the term tax loophole more frequently.

We ask ourselves how we got into this debt problem. I know it seems to be a jump from Bill S-9 to the debt problem. Let us recognize that Statistics Canada did us a great favour back in 1991 when it identified that 44 per cent of our accumulated federal debt was the result of tax exemptions over the years, the drainage of billions and billions of dollars through tax loopholes.

We might say that some of the tax breaks, tax loopholes or tax exemptions are beneficial. Some are absolute boondoggles and some are debatable. Do Parliament and government give priority to a process that would see the elimination of some tax exemptions and as a result take a major step toward reducing the accumulated debt and deficit? Is that where we devote our attention, energy and time? No. Time is given to Bill S-9 that will benefit a handful of the wealthiest families of Canada. We will send this off to the finance committee now for thorough study where its advantages and problems will be identified.

In summary let us acknowledge what we are doing today. We are taking up valuable House of Commons time at a crucial time in our economic history, when we have 1.4 million Canadians who are jobless, another 2 million Canadians who are underemployed, probably many more than that who are working in low paying jobs and are barely getting by. We are seeing that a priority for this government is to assist a handful of wealthy families with their tax problems.

• (1345)

What about the tax problems of every other Canadian? What about the tax problems that every small business person is struggling with today? My friend from Calgary Centre indicated that people are struggling through their tax returns and so on and need a tax accountant, a tax adviser, a tax lawyer for the simplest type of taxation situation.

It is with regret that we have this debate today, because of all the priorities facing the country this has to be almost at the