

Excise Tax Act

So, that Liberal Government never had the decency, the courage or the nerve to implement a system that would benefit everyone and that at the same time would help reach this Government's first objective: restoring public finances.

Mr. Speaker, I am flabbergasted when I realize that the Government of Canada will have to pay this year \$39 billion only to cover the interest on the debt which the previous Liberal Government left us as a legacy. Imagine, \$39 billion!

Mr. Speaker, you know as I do what we could do with so much money. If we did not have to pay our national debt, we would have money a-plenty for Old Age Security pensions, daycare programs, research and development, environmental protection, etc. But we are saddled with this burden, we have this almost grotesque problem to solve before even considering any further investments in social, economic and cultural programs.

I was listening a while ago to a Member of the New Democratic Party who claimed that many corporations do not pay any corporate income tax. I do not know just how many do not, but my Honourable friend failed as usual to indicate that the corporations who do not pay any income tax may have one of two perfectly legitimate reasons for not doing so.

One of these reasons could be that they might have incurred losses in previous years and had elected, pursuant to the Income Tax legislation, to apply these losses against their profits for the current year. But this is something which is available not only to corporations, but to ordinary Canadian men and women, including you, Mr. Speaker, as well as all the Members of this House. If your corporation came out the loser following a bad transaction in 1989, and if it shows a profit in 1990, you may apply this loss incurred in 1989 against your profit in 1990. You would certainly run the risk of being reviled by my NDP friend as one who does not pay income tax. I am not saying that he tried to mislead the public, but he certainly failed to thoroughly explain the fine points of the Income Tax legislation as it applies to corporations and individuals.

Another reason which might explain why your corporation does not pay any income tax is if you have made a major investment which entitles you to amortization. It is a well-known fact that amortization is deemed an

admissible expense which can be applied against a corporation's profit.

These are the two reasons which might explain why you are not paying any income tax.

The Hon. Member forgot to mention on the other hand that it was this Conservative Government which has implemented since 1986 a minimum income tax scheme, so that individuals earning \$100,000, \$50,000 or \$25,000 have a minimum income tax to pay. This obviously was an oversight on his part.

He also emphasized the fact that all Canadians will be paying more income tax. But he forgot to point out, Mr. Speaker, that with the 1988 tax reform 85 per cent of Canadians pay less income tax than before. That he forgot to mention. Eighty five per cent of Canadians pay less income tax and if I remember correctly, Mr. Speaker, one million Canadians do not pay income tax any more because of tax reform. Measures have been implemented and Canadians have realized it after filing their income tax returns this year.

Many residents of my constituency of Trois-Rivières, who were skeptical after tax reform was announced, have told me: "Sir, you were right. It's true! We are paying less income tax for 1988 than 1987. Your reform is good and worthwhile." At the same time, companies and businesses have seen their income tax rates go up.

I think it is normal that businesses pay their fair share but we should bear in mind, Mr. Speaker, that they are the ones that create the jobs in this country. If we had the same rationale as NDP Members, we would tax businesses 100 per cent. They would not make any profits at all and would only pay taxes.

Mr. Langlois: They would not be in business for long.

Mr. Vincent: My colleague, Mr. Speaker, the Hon. Member for the beautiful riding of Manicouagan (Mr. Langlois) made a quite logical and realistic comment: "They would not be in business for long". As a matter of fact, if we want our Canadian businesses to make progress, they should make normal profits, they should pay a reasonable tax rate to be able to reinvest their profits, thus make a move forward and automatically create new jobs in the process.