

Supply

This tax will primarily hit children and raise \$120 million in revenue. It will cost the average family about \$15 a year.

Why would a Government which cares about the Canadian people impose that kind of tax when it lets the purchasers of Gulf Canada avoid paying \$500 million in taxes? If the Government had collected that tax which the purchasers should have paid, and were obligated to pay by law, except for the very strange ruling by Revenue Canada, the Government would not have to do most of the things it is doing.

We have estimated that the average Canadian family will pay \$300 in new taxes as a result of taxing food. That is if the new tax is what is called "revenue neutral", in other words, if it is set at 6 per cent. However, what is to prevent the present Conservative Government, which is so concerned about the deficit, from setting the rate not at 6 per cent but at 7 per cent or 8 per cent or higher, as it is in many European countries? This would mean an increased cost of about \$350 or \$400 a year to the average family.

We say that tax increases on such fundamental living items will generate a tax revolt among Canadians. The people of Canada took the Prime Minister seriously when he talked before the election about a fairer, simpler, less complex tax system. He said that Canadians who were wealthy and corporations which were profitable would pay their fair share of taxes. We are still waiting for that. We are certain that the imposition of a tax on food is precisely the wrong way in which the people of Canada want this Government, or any government, to go. Therefore, we give notice now that we will fight such a proposal if it is in the White Paper the Minister will be bringing down shortly. We will fight it with everything we have, both in Parliament and outside of this place among the ordinary people of this country.

Mr. Schellenberg: Mr. Speaker, clearly the New Democratic Party opposes any kind of tax on food, but surely it will acknowledge that there are already hidden taxes involved in the processing of food, whether it is the hidden price subsidies or the cost of packaging or the cost of transportation. These are all taxes on the production of food. Is the NDP saying that it would attempt as a Government, should it ever become a Government, to remove those taxes on food? Is the NDP in opposition to those taxes on food? And if it thinks it can remove them, how would that be done?

Mr. Orlikow: Mr. Speaker, what I said today and what we have always said is that we believe that the services the people of Canada want and need have to be paid for in one way or another, but we also believe that the tax system should be as fair as possible. That is why we are opposed to increases in hidden taxes. That is why we are opposed to increases in sales taxes, the business-transfer tax or value-added tax, whatever name or label one wants to give to that kind of tax. We are opposed to any increases. We believe that the loopholes in the income tax should be plugged so that everyone will have to pay a fair share. Why should a teller in a bank pay more in income tax than the bank he works for pays in corporation taxes? Why

should a clerk at the Hudson Bay store pay more in income tax than the Hudson Bay Company pays in corporation taxes?

We say we want to plug the holes in the Income Tax Act, most of which were created when the Liberals formed the Government. We want fairness. We want the large corporations to pay taxes at least at the same rate and with the same consistency as the small businessman. There is more than \$30 billion in deferred corporation taxes owing, and 90 per cent of that or more is owed by a very small number of the largest corporations.

Are we proposing that all the sales taxes which are already there should be removed? Of course, we cannot do that because we cannot do everything at one time. What we are saying is we do not want any increase or broadening of the sales tax base, and we want those individuals who are wealthy and those corporations which are profitable to pay their fair share of taxes.

Mr. White: Mr. Speaker, I listened with interest to the Hon. Member for Winnipeg North (Mr. Orlikow) who is, as I am, a Manitoban. We have in Manitoba a NDP Government, one of two in Canada. I think we can use them as an example of NDP tax policy in action.

• (1540)

On March 16 a Budget was introduced in Manitoba. It increased taxes for four out of every five Manitobans. The retail sales tax was increased. In spite of the Hon. Member's comment that the NDP is opposed to a consumptive tax, the NDP in Manitoba raised the sales tax from 6 per cent to 7 per cent. The Government extended the provincial sales tax to include take-out meals. The payroll tax was increased by 60 per cent. Every small business in Manitoba pays a tax on gross payroll, and that figure was increased by 50 per cent. A 2 per cent tax was imposed on net income for every Manitoban. This basically means a 21 per cent tax increase for a single mother earning \$27,000 per year. However, if a taxpayer is part of a childless couple making over \$200,000 per year then that couple will pay less than half the increase that a single mother will pay. If there is going to be a tax revolt it will be in Manitoba where we pay the highest rate of provincial tax in the country.

In light of what the Hon. Member has said I am wondering if he and his federal colleagues have passed on their feelings and their displeasure with the Manitoba budget to their cohorts in Manitoba.

Mr. Orlikow: Mr. Speaker, the Hon. Member for Dauphin—Swan River (Mr. White) has given the facts with respect to the increases levied by the Government of Manitoba in its last Budget. However, I ask him to think about the reasons for these increases. The fact is that Manitoba is one of the have-not provinces, whether we have an NDP Government, a Conservative Government or a Liberal Government as we had years ago. Manitoba depends to a large extent on transfer payments from the federal Government, as do the Atlantic