

Excise Tax Act

the most insidious form of taxation, one that is hidden and one which particularly hurts lower income Canadians.

In terms of fiscal responsibility, the Government has slashed some programs, raised taxes and with what do we end up? A deficit that is \$1.6 billion bigger than last year. It is almost comical.

By end of next year the total national debt will be \$350 billion. In 1984 it was \$200 billion. Thus in little over five years the Government will be well on its way to doubling the national debt.

What is more astounding is that these five years have been a period of strong economic growth, ones in which government revenues have increased by over \$30 billion annually. Yet the Government has failed to apply this increased revenue against the deficit. Obviously, we have a Government that was taxing us to the limit while continuing to overspend.

The Minister of Finance (Mr. Wilson) now seems to have decided the culprit is in interest rates, conveniently ignoring the fact that the Bank of Canada's fiscal policies are largely set as the result of government direction. Any inflationary feelings we are having in the country today are due to the high interest rates that his own Government has imposed on Canadians. Yet when we hear of the Government spending \$2.7 million on ads to educate the public about the Budget or \$25,000 to count rose bushes in the PM's backyard one begins to wonder if there are not other reasons.

In the area of social fairness both inside and outside the country we are backtracking on our commitments. Foreign aid has been cut back by \$360 million directly contradicting our stated commitment to increased funding levels to 6 per cent of the Gross National Product.

The closing of Armed Forces bases across the country will particularly hurt the economy of regions such as the province in which I grew up, Prince Edward Island. To take 1,300 jobs out of the economy of P.E.I. is equal to taking 35,000 jobs out of the economy of Quebec, or closing the auto plants in Ontario. If one does not think that Ontarians and Quebecers would be up in arms if we took those jobs out of their economies then one would be in for a surprise.

The relative burden of tax on lower to middle-income Canadians continues to rise. A family with an income of \$32,000 pays \$680 more in taxes than it did in 1984, while those with incomes greater than \$100,000 pay less. With the implementation of the regressive 9 per cent federal sales tax in 1991 matters will only get worse. The Government continues its short-sighted approach toward investing in Canada's future. The new federal sales tax will create an administrative nightmare for small and medium-sized businesses.

• (2040)

Despite the Government's stated commitment to science and technology, it is continuing to cut back or eliminate some of the most successful programs used by small and medium-sized high-tech firms. The Defence Industry Productivity Program, of great assistance to defence related industries, will be cut back by \$25 million in 1991. Worse still, the Unsolicited Proposals Program will be eliminated entirely. What was previously called an integral part of the Government's contracting out policy in science and technology, the UPP, is to be phased out. In one fell swoop, the Government has wiped out one of the best ways of assisting the start up of small and medium-sized high-tech firms. I am beginning to think the Government does not know the difference between investment and expenditure.

The Budget will mean fewer jobs for Canadians. The Conference Board of Canada predicts that 97,000 jobs are being lost and they predict that unemployment will rise from 7.7 per cent to 8.5 per cent.

What are the serious effects of the Budget? First, post-secondary education and health cases are being seriously affected with the Government's failure to continue its commitment to fund our colleges, universities and hospitals. Taxes on a traditional family with one income earner and two children have gone up more than seven times faster than families with high incomes. Taxes on families with children have increased more than families without children. The Budget discriminates against families in which one parent is the primary income earner.

The Budget is an attack on the elderly. The so-called claw-back of old age security benefits is one area that definitely warrants further attention. At first glance, the claw-back provision seems reasonable, but when one begins to assess it, one suddenly realizes that the old age