

The Budget—Miss Nicholson

When we as a Government try to bring in some programs, why do the Liberals, and particularly the NDP, since that is the Member's Party, vote against them? Why did they vote against \$456 million in additional funding for regional industrial expansion? If the Hon. Member wants some assistance, which is being offered, why is he against it? Why is he not for it? Why is the Hon. Member and the NDP opposed to \$306 million for the Atlantic Canada Opportunities Agency?

Mr. Harris: Because of Sinclair Stevens' legal bills.

Mr. Reimer: Mr. Speaker, the Hon. Member for St. John's East (Mr. Harris) is not listening to my answer.

Mr. Harris: I am answering your questions.

Mr. Reimer: When we seek to bring in programs, and when we bring in regional development incentives, why is the Hon. Member against them? Why is the Hon. Member against the \$306 million for the Atlantic Canada Opportunities Agency? Why is the Hon. Member against free trade which will help his very area? Why is it that the Hon. Member for St. John's East and his Party are opposed to free trade?

• (1650)

When the committee of which I was a member toured Atlantic Canada, presentations were made to us indicating that free trade would clearly assist the Atlantic region, both in selling more of its resources and in the secondary manufacturing that would package some of the resources. Therefore, it would create jobs not only in the area of natural resources but also in secondary resource development.

Again I cannot understand why the Hon. Member for St. John's East raises these questions in this manner, nor can I understand why they are opposed to regional industrial expansion efforts, nor can I understand why they are opposed to freer trade.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for St. John's East (Mr. Harris) have a supplementary question?

Mr. Harris: Yes, Mr. Speaker. The Hon. Member who just spoke well knows that the budget Estimates to which he was referring and which our Party voted against contained in them a vote for legal expenses for an Hon. Member who was a former Minister of his Government, and that our Party and a vast majority of Canadians opposed the payment of them. This is why those Estimates were voted against as one block, not as a separate budget item as he insinuated in his comments.

I think that should set the record straight for the Hon. Member, and I would ask him if he would be fair and acknowledge that that is the case.

Mr. Reimer: Mr. Speaker, I accept the admonition of the Hon. Member in trying to be fair. I agree that we are asked to

support measures which are in total and that we may not always agree with every individual part.

However, may I say for the benefit of the Hon. Member that some of that money was spent for the former Hon. Minister to whom the Hon. Member referred as a result of the shameful attacks by his own Party and by the Liberal Party and all the innuendo against that person. It forced us to look at the question and into a long court case to deal with the particular issue. I would think that they have to accept some of the responsibility for that cost.

Miss Aideen Nicholson (Trinity): Mr. Speaker, when I spoke on February 12 on the borrowing authority Bill, I commented that it was difficult to speak on a so-called Budget which was 95 per cent electioneering guff and 5 per cent content.

I have with me here today a Canadian tax letter issued by that well respected firm Peat Marwick, which also has some harsh things to say about the smoke and mirrors we have seen from the Government for some time. The Peat Marwick tax letter says in part, and I quote:

By adroitly manoeuvring to accelerate remittance of payroll withholdings, personal income tax installments and federal sales tax collections, Mr. Wilson has been able to contain his budgetary deficit estimate for 1987-88 to \$29.3 billion and budgetary deficit forecast for 1988-89 to \$28.9 billion, still enormous amounts considering the over-all Canadian economy.

Later in the newsletter we read, and I quote again:

—it is a legitimate reason for concern that, in the sixth year of an economic expansion, the budget deficit remains very high by historical standards and is expected to improve only slightly in the near term.

This concern is accentuated by an element of sleight of hand in recent budgets. Budgetary revenues will have been enhanced by \$3.9 billion through a number of once-only changes, including:

- the acceleration of remittances of personal income tax source deductions by large employers
- the acceleration of quarterly personal income tax instalment payments
- the acceleration of federal sales and excise tax payments.

Because this issue really goes to the heart of the credibility of Government, I want to take a few minutes on it. When the finance committee was holding hearings on the White Paper on tax reform, a very well respected accountant said that he would have expected better from the Finance Minister than this kind of selective, creative accounting, which he described—I am quoting a well respected accountant—as being like kiting cheques, as he spoke of his disappointment in the Finance Minister from whom he said he would have expected better.

Let us look at where some of this has come from. In the document entitled *Economic & Fiscal Outlook* released on June 18, 1987, in a table on page 30, we are shown that the acceleration of source deductions and quarterly installments of personal income tax will bring in \$1.1 billion in fiscal year 1989-90, while the acceleration of sales and excise tax payments for fiscal year 1988-89 was expected to bring in \$1.6 billion.