

Borrowing Authority Act

of the United States. That will not occur if this Government persists with the spending practices which it has unveiled in Bill C-21.

I urge Hon. Members of the House, if they are concerned about their constituents and about the welfare of Canadians in general, if they really hope to create employment through the resurrection of a stable, profitable business community, and if they hope to keep people who have acquired homes in those homes, to reflect upon the lack of wisdom which is embodied in Bill C-21.

Mr. Howard Crosby (Halifax West): Mr. Speaker, in making some remarks on Bill C-21, the Borrowing Authority Act, 1984-85, it is difficult to place in perspective the effect the provisions of this Bill will have on Canadians and on the economy. Many Hon. Members have stood in this Chamber and tried to indicate the enormity of borrowing \$29.55 billion and the effect it will have. Mere numbers do not indicate the harm, economic and otherwise, it will do to Canada. It is a real challenge to try to bring meaning to figures like \$100 billion in expenditures, \$70 billion in revenues, and the deficit which arises with expenditures at such a high level and revenues at such a low level. It is very important, indeed vital, that we get across to Canadians the relevance of this legislative measure to their daily lives.

We have heard time and time again what the borrowing of this amount of money, over \$30 billion, added to the existing national debt, will create for each tax-paying Canadian at the national level alone. It is a debt of \$15,000 to \$16,000 for each taxpayer. When you add to that the provincial debt which is represented and applied to that taxpayer, you get a figure well in excess of \$20,000. Every taxpayer in Canada carries with him on daily basis, in addition to whatever personal debts he or she may have incurred by way of mortgages, car loans, and so on, the government debt in excess of \$20,000.

What is the effect of all this debt accumulation, Mr. Speaker? It has a very important effect on all Canadians, but it has an immediate effect on interest rates. Only today we have seen a further additional increase in basic interest rates which will be charged by banks, because the rate for 180-day Treasury bills has risen to 10.95 per cent. That, Mr. Speaker, is plunging us into another series of interest increases which will bring us up not only to the double-digit level, but higher. If that kind of inflationary trend in interest rates and other prices occurs, we can look forward to a termination of any thought of economic recovery. That again will affect each and every Canadian and the way of life to which each and every Canadian is entitled.

What are we going to do about it, Mr. Speaker? That is the real question. We know the disaster of deficit financing over a long period of time. We know about the crushing burden of accumulated debt, not only on the Government of Canada but on individual taxpayers. We must face the problem of what we are going to do about it. For taxpayers, there is not only, as I indicated, the problem of interest rates, but they are also faced with the need and desire on the part of the Government of Canada for additional revenue. This has shown up in two

ways: first, in the increase in the tax load for individual Canadians, and, second, in the acceleration and emphasis on tax collection by Revenue Canada.

We have heard time and time again in the House of Commons and elsewhere in Canada about the disastrous effect of overzealous tax collection. I want to point out to Hon. Members of the House and to all Canadians that we now have a very sophisticated tax system. Not only does it deal with direct taxes such as income taxes, sales taxes and the like, but there are very subtle ways of taxing Canadian people. Those subtle ways include changing the method by which tax deductions are assessed and the hidden taxes we find, for example, reflected in the price of gasoline, transportation fuels and commodities which are used by virtually all Canadians. We are hit by taxes from all sides and many of the taxes imposed on Canadians are not even known to them.

I have here an indication, Mr. Speaker, of what each Canadian family with a net income in the area of \$22,000 pays in taxes. The global rate approximates 45 per cent. That is to say that a Canadian family with a net income in the area of \$22,000 pays \$11,000 in taxes. That is inclusive of all taxes paid to all levels of government. The result is that the crushing burden of taxation on Canadian people is coupled with the effect government borrowing has on the interest rates available to Canadian consumers. That is magnified by the collection practices of Revenue Canada, which pounces on these burdened taxpayers and demands, without any justification, every inch of the tax requirement plus, in many cases, something more. Decisions are at all times against the taxpayers, forcing them into appeal procedures which are costly and time consuming and serve to discourage Canadians who might otherwise want to contribute more to the economy and the productive capacity of the country.

● (1650)

Reversing this process is going to be very difficult, Mr. Speaker. However, we cannot stand helplessly and do nothing. I believe Government Members are entitled to ask what we would do. As opposition Members there is an onus upon us to indicate ways in which we would reverse this process. When one looks at the public accounts and at proposed expenditures, it is quite easy to find ways of reversing this process. There have been expenditures such as \$900 million on Mirabel which could have been eliminated. Time and time again in the House of Commons we have spoken about the \$3 billion which has been virtually wasted on Canadair and its related activities. Yet the Government tries to tell us that expenditure was made in the interest of all Canadians, that it saved the aeronautic technology and provided employment for 1,200 persons. At the same time the Government refuses to provide less than \$100 million to the Sydney Steel Company in Nova Scotia to eliminate its public debt and enable it to function on a businesslike basis. That plant would employ over 2,000 steel workers. As well, the Government would be assisting an industry which is basic to an industrialized economy, has export capacity, and has the ability to provide local employment.