

*Excise Tax Act*

would submit that much of this deficit is caused by the silliness that has been pursued in the constant effort to spare those who ought not to be spared from paying their fair share.

We have heard that the deficit is caused because there are too many expenditures on social programs and all kinds of nonsense. Of course, in response to that kind of statement and belief—I am not so sure it is really a belief, I think it is just a little bit of propaganda that the very wealthy get away with and the Government is pleased to carry forward. However, the notion out there is that social programs are what contribute to the deficit. Of course, we have these rearrangements in the UIC to increase by 50 per cent the payments that workers are going to have to put in even though the outcome of all of this will be fewer benefits, longer qualifying periods and shorter periods during which they will be able to collect it.

I could cite any number of taxes on social programs intended to respond to this notion that the deficit is really about too many expenditures on social programs. We know better, Mr. Speaker. Consider a drop in the marginal rate of income tax from 43 per cent to 29 per cent. I would suggest that that must have made a significant contribution to the deficit.

• (2120)

Considering that in the last 20 years the contribution to income tax by corporations has dropped from around 50 per cent to 11 per cent, I would think that would have something to do with the deficit as well. We have this interest rate thing and that is an interesting one, too. Interest rates have gone up by about 4 per cent. That accounts for about \$6 billion in the deficit. In other words, there are alternatives that could have been chosen to get rid of the deficit and maintain some fairness in the system. The New Democratic Party is bound and determined that this country will have a system of taxation which will be fair, not to the special interests and the new nobility that the Government is proud to represent, but a system that will ensure that people will pay their fair share and get their fair share.

I am sure that there are those on the other side who will say that the New Democratic Party has expressed concern about the manufacturers' tax. We are concerned

about the manufacturers' tax. But we do not see that a solution to the manufacturers' tax is adding yet another 9 per cent, upping the ante from some \$23 billion to \$40 billion in consumption taxes, amounting to another \$1,000 taken out of the pockets of the ordinary Canadians, the poor and the middle class. That is unacceptable. This is a tax that is peculiar in a number of ways. First you see it, then you don't. You may see it and maybe you won't. The Government has not made up its mind if it is going to be secret. It would prefer to have it secret, but my God, it would have to break a promise. Oh, well, it hasn't had too many problems with broken promises in the past.

I suggest, Mr. Speaker, that this new goods and services tax, the other shoe to drop in the so-called tax reform, should be wiped from the boards and a whole new approach used that will eliminate this constant push for imposing more and more regressive and hurtful taxes on those who are least able to pay so as to ensure that those who have the money in their pockets pay their fair share. We have a number of suggestions in that regard: optimize the rate on high income earners; impose a minimum tax, a good left wing socialist minimum tax on corporations like that introduced by Ronald Reagan in the United States.

Let us talk about an addition to a fair marginal rate, an increasingly marginal rate of income tax if we are to ensure that wealth is equitably distributed, not punitively distributed, but equitably distributed. We should choose a tax that will not offend the notions of encouraging investment. So let us talk about a tax and not wealth. Let us talk about a tax that taxes what should be taxed, what you have, not what you get each year. One per cent a year is \$20 billion to \$30 billion a year in new revenue. Some of the wealthiest of the nobility have, in fact, suggested that that would be a good, innovative and fair approach. That is what we should pursue.

There is no way in this world, not under any circumstances, could any member of the New Democratic Party support this Bill before us tonight. There is no way a well-informed citizen of this country, making less than \$50,000 a year, could vote for this legislation. We represent those people.

**An Hon. Member:** Well, a few of them.

**Mr. McDermid:** Come on.