

*Government Orders*

dous. Non-residents who lend money to Canada and get paid interest on those loans pay no taxes in Canada.

Let me just give you the figures, Mr. Speaker: 20 per cent of our borrowing is by non-residents—\$50 billion of domestic debt is held by non-residents. If we assume a 12 per cent interest rate—and I doubt if we can count on that until the end of the year—that means \$6 billion is going out of the Canadian economy to non-resident lenders. That is \$6 billion which, if it were lent and paid in Canada, would be generating tax revenue back into the coffers of the government.

The amount of revenue that the government is forgoing by borrowing nearly 20 per cent outside the country is anywhere between \$1.5 billion and \$1.7 billion. This bill is borrowing darn close to \$2 billion more than it needs to simply because the government has not controlled foreign borrowing and is paying interest out of the country and not collecting tax on that interest.

Meanwhile, what has it done to Canadians? While it is paying tax-free interest to non-residents, it has dropped the ability of Canadians to be tax free on the first \$1,000 of interest they earn on what they have lent to their own government.

Mr. Speaker, \$3 billion of this borrowing bill is just to cover the reserve for foreign denomination borrowing. The government needs to have a very close look at the impact of its foreign borrowings and its borrowing of foreign denominations on the deficit of the country.

The other thing that strikes me as we add more debt is the extent to which over the last few years we have sold off through privatization the assets of the country. It makes no sense to me to sell the House to pay the oil bill, which is what the government has been doing as it has privatized over 22 government operations or Crown corporations.

Canadians might accept selling off their assets which they have paid for if they knew that the sale of those assets was going to pay off the debt so that the deficit and the amount of interest they pay could in fact be reduced. But, no, the sale of the assets of Canadian taxpayers has been used simply to pay more interest and to keep on adding to the operating budget.

This budget has been characterized as the no tax budget. It is important to notice that borrowing would be much higher if the government had not managed to transfer much of its responsibilities to others.

I want to talk about 12 different items that to me are new charges on Canadians. It does not matter if we call them taxes or not. They are new charges on Canadians. They are the equivalent of raising taxes.

The first thing we had better remember is that this is the GST budget. Boy, if that is not a whopper of a new tax, I do not know what is. Some 260 million dollars of the borrowing in this bill are attributable only to pay for advertising to tell Canadians that they like a tax that they know darn well they do not like. It is to pay for several thousand new tax collectors so Canadians can be policed to make sure they are not escaping one whit of one dollar of a new tax that they do not like.

• (1740)

We are looking at a \$6 billion increase in taxes to Canadians through the GST. They are now paying \$18 billion in federal sales tax. The government will collect \$24 billion to end up with a net revenue of \$18 billion. In the meantime it will pay all the administrative costs of sending out \$8.7 million in cheques to compensate partially for this new tax. What a waste of money.

Second, this is the budget that will increase both municipal and provincial taxes to pay for services that the Government of Canada has a commitment to cost share fifty-fifty. It is now renegeing on that agreement. It is failing to meet its commitments in important areas such as education, social services, and day care—all of which are cost shared programs. The result of that is going to be an average of \$576 over five years that Canadian taxpayers will have to pick up in additional municipal or provincial taxes to compensate for what the government is not now paying for.

Third, one of the more blatant items in this bill is fees for students. There is a 3 per cent charge on students who qualify for student loans only because they have already proved they are too poor to go to university without getting a loan. Now we are telling them that they have to pay fee on top of that.

Fourth, we have to remember that this is the clawback budget. This is the budget in which the government says that seniors and children's benefits and nothing else will be taxed at 100 per cent for some seniors, some children, and some families. Millionaires can make an extra \$1