

The Address

We can now better understand the meaning of the comments made last December by the hon. member for Hull—Aylmer, who is himself a former mandarin, and who alluded to the possibility of a 20 per cent cut in the health care budget. We can also better understand the meaning of the throne speech.

I am absolutely flabbergasted to see that, in less than three months, this government has violated the basic principles underlying its electoral platform. This government was elected on the basis of false premises regarding, among others things, social programs. It has also reneged on its monetary policy. We now know only too well what has become of the promises made by the Liberals. Shortly before the Christmas holidays, the Minister of Finance appointed Mr. John Crow's successor, namely his assistant and advisor regarding monetary policy who is also obsessed with fighting inflation.

It must be remembered that, among the G-7 countries, Canada was the most adversely affected by the recession of the early nineties. Canada was also the first one affected among the industrialized nations of the world. Why is that? It is precisely because of this obsession with fighting inflation regardless of the consequences on employment and on jobs in general.

Today, even though inflation pressures are still weak, and while Quebec has only gained back a quarter of the jobs it lost and the economy has not reached its full potential, the Liberal government is refocusing its monetary policy to fight inflation instead of aiming for a fair balance between price stability in the long run and employment growth in the short run. These same people are now telling us that with their infrastructure program, they will be able to create thousands and thousands of jobs. Contradictory measures like this infrastructure program only go to show the inconsistencies in the Liberals' policies.

Such policies are contrary to what the Liberals talked about during the election campaign and even before that, when they were the official opposition in this House.

Let me remind you that on November 26, 1992, both *La Presse* and *Le Devoir* quoted the present prime minister as saying: "For several months now, we have clearly indicated that we are proposing a growth policy based on low interest rates. And if the Canadian dollar should weaken, we can live with that". That is what the present Prime Minister had to say only two years ago. Today, he is doing exactly what he was blaming the Conservatives for. The present prime minister also said: "People are becoming obsessed with the anti-inflationary policy". Can you believe that. The Liberals themselves have developed an obsession for the same monetary policies they used to criticize.

Earlier this week, the Minister of Finance even said about the throne speech: "We will be worthy of the trust Canadians put in us". He mentioned that the speech from the throne would break

the vicious cycle of "cynicism and deception Canadians felt about politics".

This kind of approach, this kind of backtracking will not do anything to break the cynicism that exists towards the old federalist parties; it is there to stay.

And there will still be cynicism about the tax equity issue since nothing leads us to believe that the Liberals will do something about that despite having complained loudly about the unfairness of our tax system during all these years. The government does not have the political will to eliminate all the tax loopholes and all the tax breaks that some people benefit from. We always point to the same problem, and with good reason. Just as the Conservatives before them, the Liberals probably have their hands tied by Canada's richest families who contribute to their election fund.

● (1045)

There are plenty of examples of unfairness and inequity in our tax system, Mr. Speaker. Here are some of them. In 1987, the most recent year for which this kind of data is available, 90,000 Canadian companies made profits totalling \$27 billion and paid no taxes at all. There is no in-depth study on this but in 1991, according to the Auditor General, a minimum of \$16.1 billion in revenues found their way to various tax havens. Hundreds of millions of dollars in federal tax revenues are lost through the family trusts which we talked about earlier this week.

Here is another example of unfairness and inequity in our tax system. In 1991, 368,000 taxpayers with a total declared income of \$60 billion, that is an average income of \$163,000 each, paid a federal income tax of only 18 per cent. That was their real tax rate because of all the tax loopholes. But isn't the basic rate 29 per cent, Mr. Speaker? This is shameful.

On the other hand, a certain Ms. Pauline came to my riding office last week. She is on welfare and her income is about half the poverty threshold in Quebec as well as Canada, and she received a letter from Revenue Canada asking her to pay her income tax like any other taxpayer. Mr. Speaker, that is nothing short of outrageous.

Two days ago, the Auditor General reported a number of cases of profligate spending and misuse of public money. I noticed two cases which are striking enough to demonstrate the urgent need for tax reform to achieve greater equity instead of wasting money.

Investment Canada spent \$132,000 to set up a new office, kitchen and bathroom for its new president, while her predecessor had an office in the same building with the same conveniences. Mr. Speaker, \$132,000 is the equivalent of the annual income of four households. It is utterly disgraceful. The Auditor General also pointed out that because of a loophole in a deduction concerning natural resources, the government lost \$1.2 billion in revenue, mainly in the oil and mining industries.