

reserve school at Thunder Child today has been condemned by the federal Department of National Health and Welfare, as well as the Saskatchewan department of health. They have an open cesspool at the school no more than 100 feet away from where the students have to attend. The conditions on that reserve as far as educational facilities are concerned are absolutely deplorable. This is another thing I hope Treasury Board will finally approve funding for which they have already agreed to in the capital expenditures of Indian Affairs, a department which does not have the money to pay for it.

I would like to quote something from a politician in this House who was referring to the financial position of the government. That politician says that this deficit is not here curiously enough because of excessive government spending. Government expenditures increased dramatically in the past since 1974, but it is under control; I think reasonably under control, and yet we are still running a deficit. "The reason is that our tax base is so eroded on the revenue side."

These are words, to my surprise, not of the Conservatives who sit to our extreme right, but words of the minister in charge of the Treasury Board, the President of the Treasury Board (Mr. Johnston). He says this deficit is not here, curiously enough, because of excessive government spending, but government spending has been excessive over the past decade and it has reached the point now in the 1978-79 fiscal year that public accounts show we have been spending a deficit of over \$16 billion. Mr. Macdonell in the Auditor General's report suggests that spending is totally out of control. I hope the minister in charge of the Treasury Board will recognize that. It is not under control, he says in the second part. He says that the reason the tax base has been eroded, and I can agree with that part as it certainly has, is some of the things that happen within this country. I think we have to look at things such as indexing, which is very controversial lately and which arose from this House. The New Democratic Party is in favour of indexing, but we are in favour of a just indexing. The indexing implemented by this government was an indexing that helped those who do not need the help. The indexing the government has been advocating was indexing for people who have the least amount of income and get the least amount from indexing. The people at the higher levels of income, \$60,000 and \$70,000 per year, would get the maximum benefits from indexing.

To the New Democratic Party that is not a just type of indexing. The type of indexing we agree with is the type of indexing where the people at \$70,000 and \$60,000 per year income do not need any indexing and certainly do not need the benefits of it. The people who need the benefits of indexing of taxation are those in the lower income scale; those earning \$12,000, and those earning up to \$20,000 a year should receive the maximum benefit from that.

I think something else which has eroded our tax base, and where there has to be more equity in our tax system, is the many corporate loopholes out there today, not in small business and not in family farms necessarily, but in the larger corporations, indeed in the larger international corporations

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which account for the \$75 billion in foreign ownership in this country, and which stimulate billions of dollars in foreign profits that leave here every year. Those loopholes today we figure, to the best of our knowledge, account for some \$16 billion in accumulated unpaid corporate tax. This country cannot afford that. We think that should this government choose to collect the corporate tax which is owing to the people of this country we would not have to approve supplementary borrowing power for \$12 billion to help a bankrupt government such as we have here today.

I would like to ask the government to look at other things such as self-administered RRSPs. I think that is an important area where people who have some disposable income can invest in their own Registered Retirement Savings Plans. For example, those who are fortunate enough to own a home should be able to invest in that home each year at the anniversary date and write it off, as they would with an RRSP. I think that helps us in a few ways. One, it helps people reduce the amount of interest they are paying on their mortgages because they pay it off sooner at a much lower rate; they also own their homes within a shorter period of time and, therefore, have a larger disposable or discretionary income to use at their discretion, spending it on what they like.

Supposedly a house is one of the largest items the average Canadian family will ever purchase. If they did have this extra five or six or seven hundreds of dollars extra income ten years sooner than they normally would have it, they would be able to invest. Then we would have Canadians investing in our own economy. I think these are things the government has to look at so that our tax base is not being eroded, and so that we do in fact have money to run our country.

The supplementary borrowing power for \$12 billion does not even cover the deficit I mentioned in 1978-79 as \$16 billion, or in excess of \$16 billion. That is a very large sum of money, enough to run the province of Saskatchewan for eight years.

I think at the same time we have to look at some of the inequities which the government has in its tax regulations and the way it collects tax. I would like to quote again from the President of the Treasury Board when he was referring to our income tax. He said that apart from this tragic lack of compassion and its zealous adherence to the letter of the law rather than its spirit, the Department of National Revenue has also demonstrated that it is prepared to adopt any position likely to result in the collection of tax dollars regardless of whether that position may be inconsistent with the position adopted in another case.

I want to cite a case that was brought to my attention by a constituent just this last weekend of the unfair taxation this government uses when it justifies taxation by whatever means it has to in order to help it get the tax.

I had a lady phone me on the weekend. She is a handicapped person in the city of North Battleford. She had applied one year for her excise tax rebate which she should get as a handicapped person. When she applied for it she found she could not receive it because in fact she had not paid for it; her husband's or family income had paid for it. Then she got credit