

*Borrowing Authority*

Business people and financiers everywhere in the world realize that the Canadian deficit and debt are totally out of control with this Minister. In this respect, except for Italy, Canada is the worst off of all the industrialized nations, for our situation is worse than that of Germany, France, Japan, the United States and the United Kingdom. Business people fully realize that this Government, beside juggling with words and figures, just cannot deal with the deficit problem which increases from year to year.

Once the investors are invaded by doubt, they will go elsewhere to invest in other currencies. Hence, the Canadian dollar will drop, and to maintain it at its current value we will have to increase the interest rates which are already too high. And then consumer purchasing power will decrease and we will wind up right in the middle of a recession.

The Conservative government has created a monster of a deficit which it is now trying to kill, destroying in the process the economic and social structure Canada has been building for a hundred years.

[*English*]

The Minister said repeatedly in this House and across the country during the last five years that he would reduce the deficit in sizeable amounts year after year. He did not do so. The deficit is up, not down. He said he would reduce the rate of growth of the public debt to better the economy. He did not do that either. The debt now accounts for 55 per cent of the gross domestic product, up from 45 per cent four years ago. The Minister also said he would reduce the deficit through expenditure reductions and not through major tax increases. He did not do that either. In this Budget, three-quarters of the increases in the Budget are tax increases and one-quarter are expenditure accounts—three-quarters on the taxpayer and only a quarter taken by the Government.

**An Hon. Member:** Shame!

**Mr. Turner (Vancouver Quadra):** In four and a half years we have had nothing but tax—tax after tax after tax from this Government—regressive, hitting the low and middle-income people the hardest. We have had deindexation of the tax system, the most hidden and sneaky

tax of all. We have had four increases in the federal sales tax, from 9 per cent to 10 per cent to 11 per cent and now 13.5 per cent. Yet this Minister said it was a silent killer of jobs. We have new taxes on construction materials, telephone calls, cablevision, gasoline, cigarettes, alcohol, air transport taxes. Surtaxes on income are now up to 5 per cent for those under \$70,000 a year. When you add up all these tax increases imposed by this Government, you get the largest increases since Confederation, including those increases during two world wars. You get a clear picture of the Tory right wing agenda at work.

**Some Hon. Members:** Shame, shame!

**Mr. Turner (Vancouver Quadra):** Mr. Speaker, using the Minister's figures from five successive Budgets, taking the total increase in taxes for individuals from all sources, income, excise, sales, deindexation of the system, surtax and so on, cumulative from 1984 during the life of this Government, a couple with two children and one earner, the income being \$23,600 a year—which is the poverty line, and I have chosen it deliberately—that family since 1984 has had taxes increased by 60 per cent.

**Some Hon. Members:** Shame!

**Mr. Turner (Vancouver Quadra):** That is the poverty line. The average income in this country, according to the Department of Finance and National Revenue, is \$45,000 a year. The cumulative tax increase from all sources since 1984 is 30 per cent. If a Canadian earns \$100,000 a year, the tax increase has only been eight per cent. I will say to the Minister, Canadians do not mind sharing a burden, but they want to share it fairly, and this Government has not been fair.

**Some Hon. Members:** Hear, hear!

**Mr. Turner (Vancouver Quadra):** That does not include, Mr. Speaker, the new 9 per cent goods and services tax the Minister intends to impose in 1991. It will be the biggest and the most regressive tax grab in history. It will be a tax on almost everything, on virtually every commercial transaction: books, shoes, auto insurance, child care services, train trips, bus fares, electrical repairs, plumbing bills, fire insurance, life insurance, haircuts, bookkeeping, legal fees, new homes, renting an apartment, bank charges on everything.

**Mr. Peterson:** Music lessons.