

Borrowing Authority

Algonquin radio observatory (b) Use of observatory equipment; the Hon. Member for York East (Mr. Redway)—Revenue Canada—Disappearance of microfiche records—Result of investigation.

GOVERNMENT ORDERS

[English]

BORROWING AUTHORITY ACT, 1986-87 (NO. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-40, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Derek Blackburn (Brant): Mr. Speaker, I am happy to participate in the debate this afternoon on Bill C-40, an Act to give the Government borrowing authority. As in the past, this kind of Bill is usually very bland with not much flesh or detail except that it will give the Government \$24.3 billion in this fiscal year. Therefore, I think it would be very irresponsible of us on this side of the House not to rise in our place and ask what it is for. Like any other big business, big Government has to borrow money, very often in advance. However, I think we should have the right to demand to know, not only why the Government is borrowing that amount of money, but for what specific purposes. We also have to ask it to justify those huge expenditures. If I am not mistaken and if my memory serves me correctly, that is what this place is all about. That is why Parliament began in England some 700 years ago, to force the Government to justify the spending of taxpayers' money.

To get an answer to this question we have to cast our minds back to the Government's last Budget. That is hard to do because there was little in that Budget to make it memorable. In fact, one could sum up the most recent Budget in just four words: More of the same. I have a partisan political temptation to stop right here and just say, go ahead. After all, the Government has been good to the NDP. Looking at the recent poll results one could make the case that the Conservative Government is the best thing ever to happen to the NDP. However, I cannot do that. My conscience, my mail and my contacts with my constituents remind me daily that this country is hurting.

The fact that so few approve of the Government is not to be celebrated, it is a cause for concern. There is a feeling, even in my own constituency in southwestern Ontario, that somehow the recession is behind us, that we have overcome the great obstacles such as very high interest rates and massive unemployment, and that the country is back to work, the unemployment problem is solved, and much lower interest rates are benefiting everyone from coast to coast. However, all one has to do is to travel beyond about 200 miles from the City of Toronto in southwestern Ontario, with the possible exception of Montreal and certain parts of southern Quebec, to find out

that Canada has not bounced back from the recession of 1981-82. Indeed, there are greater regional disparities today than there were then. There are higher unemployment rates in seven provinces today than there were in 1982. Let us not fool ourselves that the Government's fiscal and monetary policies have somehow led us out of recession or depression and brought us back into the warm sunshine of advancement and development. Such is just not the case.

We have to skip the first half of the last Budget, which was just self-congratulations or breathing space. We then get to the meat of the Government's proposals in the February Budget. However, in this case maybe bare bones is a better way to describe it, because the Government only proposes to raise a few taxes and even those proposals hit hardest at low and middle-income earners. Of course, that has always been the case. Those who make up the largest single segment of our wage-earning population, the men and women in the so-called middle income group, have been hit again.

● (1620)

The first tax increase comes at the gas pumps. The ordinary guy who drives to work is asked to pay another one cent on every litre of gas. The Government clearly hoped that everyone would just shrug at another penny tax. However, even that slim hope faded when the big oil companies decided to tack on a few cents for themselves. That caused an uproar. I hoped that the Government would step in to stop such a blatant price gouging. After all, the oil companies were hoping to pin the rap for this increase on the Government. However, the Government could not muster enough courage. Instead, the Minister of Finance (Mr. Wilson) told Canadians not to buy the gas if they did not like the price. Truly spoken like a man who gets driven around in a limousine. If he had to get to work and his tank was empty the day after his Budget, his answer might have been a little different.

Gas was not the only thing to be taxed. The Government also broadened the sales tax to include snack food. This is a small measure which might have been overlooked in a more substantial Budget. However, the sales tax extension, albeit small, was a perfect illustration of the Government's philosophy. Instead of getting its money by making sure that every individual and corporation is paying its fair share, it chose to implement a regressive, indirect tax which hits the consumer hardest. I would have preferred to see tax reform, and I will return to that later.

Sales taxes are, by definition, regressive taxes. It does not matter whether you are a millionaire or on a fixed retirement income, you pay the same tax on the same article. That is just not fair. A loaf of bread is the same price for a person raising a family on \$15,000 a year as it is for the rich person raising a family on \$150,000 a year. Sales taxes are very, very regressive.

There was also a 4 per cent hike on the excise tax on tobacco products. This is a traditional sin tax which everyone expects to see in Budgets. We have seen it in virtually every Budget for