

Government Orders

A lot of these projects never got under way. For example, the one big project costing \$30 million that was approved was to find out why black and white cows were different.

Mr. Siddon: \$2.5 billion worth.

Mr. Baker: The hon. member keeps repeating \$2.5 billion. Here is the point and the hon. member should listen to this so that he will understand it perfectly. This measure was brought in in 1984 to try to encourage scientific research.

An hon. member: By the Liberals.

Mr. Baker: The PCs took over in 1984. I thought the election was 1984. Finance told them there was a problem. The Minister of Finance stood up in the Chamber and said: "We have a problem here so we are going to grandfather it. We are not going to end it, we are going to grandfather it". The hon. member knows. He was the minister. That continued until the end of 1985. It was not \$2.4 billion as the hon. member said. The most recent estimate is \$3.2 billion. I will tell him the \$2.6 billion of it was while he was the minister of the very department concerned. They grandfathered it. It was grandfathered for all of 1985 and finally in the month of January 1986 it came to an end.

• (1315)

I hope that answers the question on the scientific research tax credit program. I know it intimately. I was here and I remember it intimately too. I have been looking at the waste of the present government. It was the Tories who allowed \$2.6 billion of the \$3.2 billion that was lost under the program. They are totally responsible.

Let us get back to Mr. MacEachen's budget. Looking back on it, I think I know what the mistake was. The MacEachen budget looked at the Income Tax Act and who was not paying their fair share of taxes. It looked at the mechanisms that were used by tax lawyers and accountants. We have them in this Chamber.

Mr. MacEachen brought in a budget that closed all those loopholes. In my language, I suppose you could say that the mesh size of his net was perhaps a little bit too

small. What happened? It was defeated all right. The NDP led the charge. Its members led the charge to the closing of the loopholes that had to do with all of those, I was going to use some tax terms, but nobody would understand them.

Anyway he looked at it and said: "Look, this is what is fair for all Canadians". Then the NDP, and the record shows it, led the charge to give the wealthiest Canadians their tax breaks. That is what was included in that budget supported by the Tories.

Lo and behold, we ended up with a revision of the Income Tax Act. I can assure the hon. member that as I stand in this Chamber today representing perhaps some of the poorest, not some of the poorest but certainly representing people who have a very low income on the coastline and people in the central part of Newfoundland who are finding it hard to make ends meet.

I can honestly say that I would support every single measure brought in by the MacEachen budget if it were reintroduced in the Chamber today.

Mr. Ray Funk (Prince Albert—Churchill River): Madam Speaker, I will be brief.

This certainly has been a breathtaking *tour de force* in historical revisionism when it comes to tax policy in this country. It should well be compulsory reading for students of that black art.

The member reflected on Liberal tax policy going to 1972 and this particular odious provision which opened the loopholes for the wealthy in contrast to his contention that it closed loopholes, a very interesting contention.

The 1974 Turner budget which I witnessed from the gallery because I was a candidate at that time was a tax measure that opened all kinds of new loopholes. Then there was the attempt by MacEachen to close those and the Liberals chickened out.

I was just wondering, should this country be so unfortunate as to enjoy the tenure of another majority Liberal government, would the current Liberal government continue the same tax policies and philosophy of taxation as previous governments?