

addressing the legislative committee on Bill C-20. He said:

“This bill contains the necessary legislative amendments to implement the federal excise tax and excise duty changes announced in the budget of April 27, 1989. These measures are an important component of our government’s plan of fiscal action to address the problem of the large and growing public debt by recognizing in reaction to the threat posed by the growing burden of the debt we are helping to build a stronger Canada for both present and future generations of Canadians”.

These are beautiful words, but what is the reality?

Canada’s revenues in 1984–85 were approximately \$70 billion and our expenditures were \$109 billion, for a total yearly deficit of \$38 billion. For the fiscal year 1989–90, revenues have increased to \$112 billion, taken out of the pockets of the poor people who live in Canada and small businesses. Very little came from the pockets of large corporations. Expenditures in that fiscal year are increased to \$142 billion. We have been collecting more and spending more money.

The minister says he wants even more money. I wonder whether we are not moving in the direction of Argentina, for instance, that had no fiscal responsibility and today has the largest foreign debt of the nations in South America. The reason I mention Argentina is that in 1949 it was the sixth richest nation in the world and today it has an inflation rate of 300 per cent to 400 per cent a year. If we do not become fiscally responsible Canada could move in the same direction.

Our total national debt is close to \$370 billion and it was only \$180 billion in 1983–84. The Minister of Finance has doubled our national debt in a period when there was prosperity across Canada. There was work in central Canada. The economy was not overheating in the Atlantic provinces or in western Canada, but it was overheating in central Canada. So what did the Minister of Finance do? He raised the interest rates instead of taxing the big corporations which have not been paying their fair share.

I would like to give an historical perspective on the deficit and the debt so that we can better understand it and bring in solutions that would not simply increase the taxation powers of the government but bring about restraint and better economic management to address

### *Government Orders*

the fundamental problem of the national debt and the spending of the federal government.

As I have already said we have increased the national debt. We are collecting more money from individual taxpayers so that today each Canadian child and adult has a debt of approximately \$13,000.

• (1240)

It takes 34 cents out of a dollar of public revenue to pay just the interest on that debt. The interest payments have outstripped the yearly deficit of \$30.5 billion in this fiscal year.

The government proposes now to bring in a new goods and services tax that is going to follow those amendments to this bill. I would like to point out that in 1969–70 the total national debt was \$17.5 billion. It was only 21 per cent of the Gross National Product.

In the year 1988–89 the national debt has increased to \$350 billion. It is 36 per cent of the Gross National Product. The proportion of the debt to the Gross National Product has almost doubled and no country can tolerate such an increase.

I would say that people in the west, and in particular Albertans, understand very well what this goods and services tax means. It means that it will create more inflation. It will create at least 3 per cent more inflation. Albertans understand that. They understand that it will increase interest rates of the banks. They understand that. Some members of this House say that they do not understand.

They understand as well that it is the consumer who will pay for this goods and services tax when he goes to have his hair cut. There will be a tax on funerals and telecommunications. This is a regressive tax. I hope the Minister of Finance will listen, not to his officials in the Department of Finance, but to the people of Canada. The people of Canada do not want this tax. They have already been paying. Some of them ask where they will get the money.

I would like to refer the Minister of Finance to the fiscal remissions of large corporations that have not been paying their taxes. I believe that this tax is not only inflationary. It is regressive because it punishes the low income earners. It does not pass, as well, the test of fairness. It creates a bureaucracy. The Minister of National Revenue confirmed what I was saying six