

Government Orders

The finance committee of this House of Commons unanimously—that is all parties, including the Conservatives, the Liberals, the New Democrats—said it is important to get a handle on the deficit. They said further that the only thing which will make it possible is if there is control of tax expenditures.

• (1100)

There are many ways to spend money. You can spend money that goes out in the form of cheques to various people across the country. You can spend money that goes out in the form of grants to various companies throughout this country. You can spend money, and this is crucial, by making a deliberate decision to reduce taxes for a specific purpose or for a specific group within the economy.

If you are concerned about the deficit, when you make a decision to reduce taxes you have to do something else to offset that decision. You either have to reduce expenditures, not just limit the increase in expenditures, in order to make up for that giveaway of taxes which you provided or else, if you are going to, for instance, give a \$100,000 tax exemption for capital gains to the wealthiest people in this country, if you are going to give that kind of tax loophole as this government has done, you have to make a decision that you will raise taxes in other areas, that the tax decrease you give to the very wealthy will be made up for by a tax increase in other parts of the economy. That is what has to be done if you are serious about reducing the deficit.

That is precisely the point. I quote here from the unanimous report of the finance committee with respect to this legislation: "Any legislated reduction in total tax revenue which causes the federal government's fiscal targets not to be met", in other words a tax decrease, "must be accompanied by measures offsetting this decrease through other forms of revenue increase or expenditure reduction".

That is the very heart of the recommendations which the minister praised in his speech as coming from the finance committee of this House of Commons. Yet that is the crucial recommendation which has been ignored in this bill. That is why this bill is a total sham. It does absolutely nothing to guarantee to Canadians that there

is some kind of legislated plan to reduce the deficit in this country.

The Minister of Finance can come in on budget day, which we hope is coming soon, and say to the people of Canada: "I plan to reduce taxes for upper income earners in this country. I plan to reduce the level of taxation for the highest income earners by getting rid of the 10 per cent income surcharge on those making over \$60,000 a year in taxable income". There is absolutely nothing in this piece of legislation which will stop that from happening. The result will be a significant increase in the deficit of this country.

You may say: "How could the government be so foolish? How could it be so stupid as not to listen to the unanimous report of its own finance committee?" I remind you that the finance committee report was unanimous. The majority on that committee is made up of Conservatives, people who actually do want to see the deficit reduced, but the government did not listen to them. You have to ask yourself why. Was it foolishness? Was it stupidity? I think not. I do not think this government is serious about reducing the deficit. This government simply wants to go through the motions. It wants to persuade Canadians, through some kind of cosmetic gesture, that it is doing something about the deficit when in fact all it is doing is burying the reality of waste, of deficits, of inefficiency in government which we have had for seven and a half years of Conservatives and before that for four and a half years of Liberals.

It is a process of waste, a process of inefficiency in government which has created a deficit of \$420 billion that has been accumulated in our national debt. Out of every dollar that every Canadian contributes in taxes, 35 cents has to go to pay off the waste, extravagance and failure to deal with the deficit that is there on the part of this Conservative government for the last seven and a half years and the Liberal government before it for the previous four and a half years.

The only governments in this country that are taking seriously the need to control our expenditures and to meet social objectives to put people back to work, to therefore choose priorities, to stop wasting money, to stop the extravagance in government, are the New Democrat governments at provincial and territorial levels throughout this country.