

Borrowing Authority

\$500 million. It will produce very few actual research and development dollars. For example, I understand that Imperial Oil bought \$500 million worth of the credits and has paid itself a fee for doing the paper transactions of \$25 million. I wonder what type of research and development will result.

I congratulate the Government. When it was elected it realized that this was a scam and set about trying to correct it. It corrected it! It imposed a moratorium. However, now we realize that the moratorium had a flaw. It had an escape hatch which is called a grandfather clause. The Minister of National Revenue admitted that under the provisions of the grandfather clause all sorts of new deals are being introduced and that it will cost the public treasury another \$400 million or \$500 million. When I brought this to the attention of the Hon. Member for Mississauga South he told me to wait a minute, that it could not simply be cut off overnight. Agreements were made. He said that we should not have to tell business folks that this provision was part of the law and that it would be cut off overnight. The Hon. Member was quite concerned about the propriety of cutting off the grandfather provision of the R and D tax credit scheme. It is too bad that he did not have the same concern about cutting off UI benefits to those people who are eligible for them and who are planning their retirement with those benefits in mind. Those people know that his Government will cut out the provisions of the Unemployment Insurance Act. When the Unemployment Insurance Act is changed, there will be no grandfather clause. Those changes will be overnight. There will be no provision for those people who are earning \$15,000 or \$20,000 a year. But for Imperial Oil there are a lot of grandfather clauses.

That is the difference between that political party and the NDP. That party is concerned with the Imperial Oils of the world. Our concern is with the person who is retiring and who has an income of \$25,000, \$30,000 or \$40,000 a year. That is the difference, and because of that I oppose this borrowing authority Bill.

Mr. Deputy Speaker: Questions and comments?

Mr. Boyer: Mr. Speaker, the Hon. Member for Regina East (Mr. de Jong) said in his remarks that he was going to educate the Hon. Members of this House, in particular Members on this side, about certain things having to do with the economic policy of the Government. In his remarks he talked about simplicity and lamented the fact that the Government had outlined in a simple and straightforward manner the formula for economic renewal. While he eschews the notion of simplicity, he went on to compare the economic thinking of the Government to the Moonies. Talk about over-simplistic analysis!

In his remarks he also used the word "hypocrisy". Yet he denounced the large size of government deficits and went on to speak critically of a government which has come into office inheriting a record-high deficit and a spending level which is increasing. The Government is taking definite, specific and immediate steps to bring the situation under control. I think the word "hypocrisy" is not appropriate.

He also asked when the Government would begin looking at the revenue side and not only deal with cuts in expenditures. If the Hon. Member is asking when the Government will deal with that, his "education" of Members on this side leaves a great deal to be desired. Where was the Hon. Member when the Minister of Finance (Mr. Wilson) said that he would close the tax loopholes which involved the research and development tax credit? He lamented that nothing was being done to deal with loopholes. He spoke of the revenue side and the fact there were benefits for some. Where was he when it was announced that there would indeed be a minimum tax on the rich? Where was he when the Minister of National Revenue (Mr. Beatty) outlined a series of fair and proper measures to ensure that tax revenues owing to the federal Government would be collected? That is concrete and precise action on the revenue side. People who have been avoiding tax will be dealt with in an effective manner, not on the basis of the quota system which was tried by the previous Liberal government.

Where was he when the Minister of Finance, outlined in his economic statement that the way to economic recovery the way to generate funds on the revenue side and the way to get the deficit down is through letting the private sector return to doing what it does best: creating jobs, generating wealth and continuing to be involved in genuine economic activity?

I would say to the Hon. Member for Regina East that if he intends to educate Hon. Members, he should first do his homework.

Mr. de Jong: Mr. Speaker, I am somewhat amused by the comments of the Hon. Member. I will first deal with his point regarding my charge of hypocrisy. I made that charge because, as I suggested to him and to other Hon. Members, what the Government is doing now—borrowing money for the next fiscal year—is what it opposed when it was in opposition. As well, the government is asking for \$2 billion in "pocket money". The Tories opposed that in opposition. They said: "What do you mean, borrow \$2 billion in case of emergency?" Those were the speeches I listened to from the Hon. Member for Mississauga South. The Government is now doing exactly what it criticized when it was in opposition, and I call them hypocrites for that. I think I have the right to. Not the Hon. Member, of course.

● (1150)

Some Hon. Members: Oh, oh!

Mr. de Jong: In fact, he was not even here then.

I am afraid, Mr. Speaker, that the Hon. Member did not listen properly to my remarks about R and D. I congratulated the Government for putting a moratorium on this scam, but then I went on to say that the moratorium is not all that effective because of the grandfather clause which will cost the taxpayers another \$400 million to \$500 million. This money will be lost. That is why during Question Period yesterday I asked the Minister of National Revenue to put a freeze on the grandfather provision. He did not answer me. I am saying to the Government that it should put a freeze on the grandfather