

### *The Budget*

That is social programs". We see now, that emperor had no clothes.

They cannot afford even the things that he said were already paid for, the OSLO project, the *Polar 8* ice-breaker. I am sorry, but I thought that money was already put aside. Maybe I misunderstood. Every nickel has been accounted for, that is what he said. But then days after the election, the interest rates in Canada started their sharp increase. At the end of November 1988 the interest rates started to climb. Then we see budget 1989, the Doug Small budget, and what happens? VIA Rail is slashed, the clawback of social programs is introduced, forces bases in various parts of Canada are closed, taxes are increased. What happened in those five short months between the election campaign when everything was rosy and that budget? We wonder why the people become cynical. We wonder why the people do not believe politicians when they stand up and talk to them.

Then there is the goods and services tax. The goods and services tax was that tax that was going to be fair, simple, revenue neutral. Do you remember when the minister described those clothes? He put on the jacket of revenue neutrality. In this week's budget, he says that the goods and services tax is going to help us reduce the deficit. I guess revenue neutrality means something different from the common meaning of those words. It sounds like if it is going to reduce the deficit that it is going to bring in more money than the old tax did. That of course is what we have been saying. It seems we can see right through his jacket of revenue neutrality.

Then the simplicity, he is going to wear the gloves of simplicity he said and held them up, white gloves of simplicity. We can see right through those too. We can see the simplicity that is going to emerge with having two retail level sales taxes in this country. Join me at my local corner store as we go in and take an item off the shelves and go to the clerk who starts to ring it up. There she is, she is 16, it is her first job.

She has to figure out whether the item is taxable under the GST and exempt under provincial sales tax, or maybe it is exempt under the GST and taxable under the provincial sales tax, or maybe it is taxable under both the GST and the provincial sales tax, or maybe it is exempt under both. It is one of those four. Once she has figured

that out then you get out the discount coupon you clipped out of the magazine. She says: "Oh, no, not a discount coupon. Let us see, how does that work?" On the GST it comes off the price and then you add the tax. Under the retail sales tax, you calculate the price plus the tax and then you take the discount. So we have the price, minus the discount times 7 per cent, and then we have the retail sales tax added on, that is times 8 per cent, at least in Ontario, but that is with the discount added back in. We have got to add that back. Then we do the retail, but then we have got to take the discount off again. I think she might want to get a job somewhere else.

That is the goods and services tax, and again the emperor has no clothes. Fairness, those were the trousers. I will not describe the fairness, except to remind the House that six times I have asked the Minister of Finance to stand up in this chamber and explain whether or not the move from the manufacturers' sales tax to the goods and services tax represents the largest corporate tax reduction in the history of Canada. He will not answer that question and I defy him to stand up and do so.

Now we get to this budget, two themes: one, we are getting the deficit under control and two, there are no new taxes. That is what this budget is all about. Those are the clothes that the emperor put on in this budget. We are getting the deficit under control. This budget is the pass-the-buck budget. This has nothing to do with controlling the deficit. This has to do with transferring the deficit to other levels of government. In our own municipality of Ottawa—Carleton the elimination of the increase in the Canada Assistance Plan funding alone will cost this region \$17 million a year, according to local officials.

• (1730)

The minister has put on the cloak of no new taxes. You cannot fault him for that, I am sure. After 31 tax increases since he became Minister of Finance, plus the introduction of the goods and services tax, how could he have possibly found room for new taxes? It would have challenged his creativity.

But there are taxes, and tax increases. There are the provincial tax measures that will follow from this budget. There are the automatic increases that come from deindexation and, of course, the goods and services tax.