

Committee Reports

If everyone is better off from the deficit, why are so many people going bankrupt today? I recall the year 1969 when there was an absolutely balanced Budget. We used to have balanced Budgets in this nation. The \$35 billion annual deficit is a product of the Liberal-NDP way of governing. We used to have a small national debt, with only 5 per cent of tax revenues paying that debt. At the same time we had all of the social programs, including old age security, Canada Pension and vast amounts of money going to our universities. Those of us who went to university had 10 jobs waiting for us when we graduated.

One must ask why these groups are going belly up when the Government has borrowed over \$200 billion allegedly to help them? The fact is that Governments cannot proceed in this fashion. The irony is that the ordinary Canadian is the one who must always pay. That is what is significant about the election in September, 1984. While it is possible for Governments to get away with deficit financing to buy their way back into power from time to time, ultimately the people will realize what has happened and will regain their sovereignty. They took back their sovereignty in 1984 and that is why there are 211 Members sitting on the Progressive Conservative government side of the House. Canadians have exercised their sovereignty because they knew this deficit financing was jeopardizing not only their future but the future of their children and grandchildren. Canadians made an enormous statement in the last election, and I believe the Government is handling the adjustment process well.

It is clear that the deficit cannot be abolished overnight. The entire income tax system raises \$35 billion to \$40 billion. In order to wipe out the deficit through the progressive income tax system, taxes would have to double. Obviously this cannot be done because there would not be enough disposable income. I believe the Budget of the Minister of Finance is a very good combination of measures that will wipe approximately \$4 billion off the deficit in this fiscal year and \$8 billion next year. The deficit will not rise in a geometric fashion but will level off and begin to decline. While we are beginning to get positive results for the future of our children and grandchildren, the unemployment rate is declining because the fiscal climate of the country has changed as a result of the election of a Conservative Government. People are generally optimistic about the future of this country and are therefore prepared to make an investment. This is leading directly to jobs, which is our main concern. Increased employment means greater tax revenue and less money spent on unemployment and welfare. We are in an upward spiral and at the end of three years this country will prosper. That is what makes the Opposition unhappy because they prefer to see people in dire straits so they could show how their Government, like the great Liberal Governments of the past, could save them.

• (1410)

Dealing with the third report of the Finance Committee on tax issues in agriculture, I assure the Hon. Member for Algoma that the Government has acted and will continue to act. Subsequent speakers will explain it point by point, whether it be the capital gains tax and the freedom that will give us, drought payments, stabilization, the Farm Credit Corporation and its moratorium, the advisory boards to help make that adjustment phase fair to the banks and to individual farmers, the small business development bond which has been carried on, interest rates which have dropped, or Revenue Canada. I have not received a letter on Section 31 for weeks and weeks, because Revenue Canada is more fair, equitable and reasonable in its treatment of farmers.

Mr. Boudria: That is nonsense.

Mr. Thacker: I have not received a letter for weeks and weeks on that particular issue. If he has received letters, let him rise—

Mr. Boudria: Yes, I have.

Mr. Thacker: Let him send copies to the Minister.

Mr. Boudria: I have, and he has not done anything about it.

Mr. Thacker: The Government is prepared to respond. For 15 years the Liberal solution to everything was to create a marketing board. The red meat industry did not want a marketing board. Within one year of becoming the Government, the Minister of Agriculture has a red meat stabilization program which he and the Minister from Ontario have signed. Hopefully other provinces will join very quickly.

I can continue by referring to the minimum tax which will not affect farmers. It will not affect anyone who has been paying taxes. The minimum tax will get those people who were not paying taxes because they had enough cash flow to take advantage of all the "incentives" brought in by the Liberals. Now they seem to think they are loopholes. Those people will pay a minimum tax.

So that other Hon. Members can be heard, I will sit down. However, before doing so, I should like to move the following motion:

The motion for concurrence be amended by deleting all the words after the word "That" and substituting the following therefor:

"the Third Report of the Standing Committee on Finance, Trade and Economic Affairs presented to the House on Monday, April 1, 1985, be not now concurred in but that it be recommitted to the said Committee and that it be an instruction to the Committee that they have the power to amend the same so as to recommend expeditious passage of legislation to give effect to the budgetary measures providing for an exemption of up to \$500,000 from capital gains for the proceeds of the sale of farm property."

Some Hon. Members: Hear, hear!