

Borrowing Authority Act

economy with which they are familiar is able to determine what good things have happened to it. I suggest that the Government has used myth, smoke, and mirrors with regard to assisting various sectors of the economy in various communities of Canada.

The people of Kamloops-Shuswap are asking the Government to take some special action in recognition of the fact that the economies of British Columbia are especially hard hit and are having problems. Just as the Government recognized that there are special difficulties in Atlantic Canada and took special initiatives there, the people of my constituency ask that such initiatives be taken in western Canada.

● (1630)

[*Translation*]

Hon. Bob Kaplan (York Centre): Mr. Speaker, we now have before us an amendment by which it is proposed to postpone for six months consideration of this legislation. I rise both on the amendment and on the Bill itself.

Mr. Speaker, this is borrowing authority legislation and the Government is now trying to seek authority to borrow \$22.6 billion, which is a lot of money, and in examining the Bill, two other things must also be considered. On the one hand, with its Budget the Government is borrowing here, levying taxes there, and also slashing its programs because the Government has decided to do its housecleaning in those three directions. Looking at those three directions, those three aspects, one will appreciate the reason why the Official Opposition is raising such strong objections. We oppose this Government's housecleaning operation because it puts an increasingly heavy load on middle-income people and on the most in need.

Mr. Speaker, I would like Canadians to look at the previous Government's history of tax measures and programs, as against this Government's own attempts at setting programs and housecleaning. Everybody knows that when there is economic growth, as is the case today, it is the right time to arrange to pay for the social programs we have in this country. Canadians are well aware that social programs are not free, that they are expensive and must be paid for, and this is the time to take steps to pay for them when we have economic growth. Under whatever Government, Conservative or Liberal, program costs must be paid, but the difference between a Tory and a Liberal Government is, who shoulders the burden of paying for the programs. After two Tory Government Budgets, we can clearly see that the rich are paying increasingly less, and in the future, with the Budget now before us, they are going to pay increasingly less, while lower income people, the poor, are going to pay more.

Mr. Kilgour: That is not true.

Mr. Kaplan: There is now an interjection by my colleague for Edmonton-Strathcona, and I am quite happy that he is interested in what I have to say. But I would suggest to him and to any other interested Canadian that if they look at the rate of increase or change in the tax burden borne by Canadians, during the 20 years previous to September 1984, they will see that an increasing share of the burden was transferred

from the shoulders of the most in need to those of other groups of Canadians, middle-income Canadians and the most affluent. Gradually, the burden was taken from the shoulders of the poor and transferred to other Canadians. It can be said that what we experienced during the 20 years previous to September, 1984, was a shifting of the tax burden to those who could pay. This situation has changed since the last election, and the direction is now for the poor to pay more. One thing is clear: it is the de-indexing process that was initiated by our leader, the Leader of the Official Opposition and the then Minister of Finance. All this has been changed by the last two Budgets, and put an end to the process whereby Canadians obtained some measure of relief from the effects of inflation through the tax system. Now the poor are going to pay more, including income tax, and we are opposed to that, and that is one of the reasons behind our amendment.

Mr. Speaker, I also want to talk about sales tax and what the present Government thought of it before they came to power. They were always very vehement about the fact that sales tax is a regressive tax and has a greater impact on middle and low-income Canadians. The impact is greater because these groups have to spend the greater part of their income. Canadians who are better off can afford to save and invest and travel abroad. Middle and low-income Canadians cannot and must spend the majority of their income. By raising the sales tax from 9 to 12 per cent, the Government has put a heavy burden on poor and middle-income Canadians. We object to that.

We believe that even if this is the price we have to pay for social programs, the Government is being too hasty and it is not the right time for such high tax increases, especially those that affect people on middle and low-incomes.

I could quote a host of press articles and commentaries, all of which argue it is not the right time to introduce such substantial taxation. Yes, it is time to deal with the deficit. Yes, we know it is not fair and not feasible to have social programs without paying for them but if this means that middle and low-income Canadians must suffer, Liberals see this as unfair and unacceptable. The timing of this measure will not be acceptable to the market and may affect our economic growth. It may take away money the economy needs.

Mr. Speaker, if the Liberals are drawing out the debate, if on the basis of our responsibilities in this House, we have decided to delay the vote, it is because we want to draw the Government's attention and that of Canadians to what is wrong with this Government's policy. I am looking forward to the day before the next election when we will be able to give Canadians a survey of this Government's tax policies since the election. We will see increased taxes for middle and low-income Canadians and tax reductions for the rich in our society. And we will then see how the situation under this Conservative Government compares with the past, when the tax burden on middle and low-income Canadians was reduced or removed altogether.