

The Address—Mr. John Turner

● (1240)

Mr. Turner (Vancouver Quadra): I continue the metaphor. She must now understand what the words "level playing-field" really mean. So far as the Americans are concerned in their negotiations with our Government they can sense weakness. They can sense stumbling and lack of preparation. For the United States "level playing-field" has always meant better rules, a better referee and a better ball. Our Minister does not know how to play the game.

Some Hon. Members: Hear, hear!

[Translation]

Mr. Turner (Vancouver Quadra): A number of our major economic sectors are now experiencing difficulties which are not about to vanish. Most of them, such as agriculture, energy, mining and forestry, are based in Western Canada. Then there is the fishing industry on Canada's east and west coasts. Concerted efforts on the part of the two government levels and the private sector are a must if this country is to come to grips with the challenges facing these industries.

[English]

Regionally balanced economic growth matters to Canadians in a way that it does not matter to Americans. As I have said, they talk about a level playing-field. A level playing-field to Americans means no special regional incentives. To us it means the exact opposite. To us attacking regional inequality is part of a key role that any Canadian Government has to play.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I want to say this to the Prime Minister and to his colleagues. Free trade is not a substitute for a comprehensive national economic policy. I say it is about time for the Government to start to understand and recognize that.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I would now like to deal with another one of the big topics. I would like to talk about national reconciliation.

[Translation]

One of the major commitments made in the previous Speech from the Throne had to do with measures aimed at paving the way for Quebec to endorse the Canadian Constitution. The Government had then promised, and I use the words of the first throne speech, to "—work to create the conditions that will make possible the achievement of this essential accord". We were promised a new era of harmony in federal-provincial relations. But what are the intentions of the Prime Minister? What are his proposals in response to Mr. Bourassa's initiatives? Why is he shifting into reverse in this Speech from the Throne, and I repeat the words of the speech, by stating that "... should there appear reasonable prospects for agreement, formal negotiations will proceed ..."? In other words, Mr.

Speaker, give us the answers and we will provide the questions. Is that leadership?

[English]

Another big commitment of the Government was in terms of tax reform. In 1984, in its first Speech from the Throne, the Government said the objective was to make the tax system simpler and fairer. The reality is that in two successive Budgets the Minister of Finance attacked lower and middle income groups and gave tax breaks to the rich. Those Budgets widened the gap between rich and poor and, moreover, encouraged a concentration of economic power. Those Budgets were sneaky and unfair. And in the Speech from the Throne which is before us the Government talked about concentration of economic power. Why did it not do something about it last spring when the competition legislation was before the House? I raised the issue fully in a one-hour speech before the House. I have talked about it inside and outside. Now, we finally have some recognition of it in the Speech from the Throne. I want to say again to the author of the speech: "Dalton, wherever you are, give me a split on the royalties before the day is over".

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Under the present Government, individual tax rates have gone up while corporate rates have gone down. Fairness was not the overriding principle in the last two years. Why should Canadians really believe that the next two years will be any different?

[Translation]

We agree that our tax reforms must take into account those implemented by the Americans. However, the Minister of Finance (Mr. Wilson) has not taken the same route. Where the Americans propose taxing capital gains, the Minister is making the rich in this country a present of \$500,000. Where the Americans are reducing the tax rate, our Minister of Finance is imposing a surtax.

The Speech from the Throne does not even mention the transaction tax, which would constitute a massive tax on consumption and would replace the sales tax. This kind of tax is not only regressive, it is almost invisible. Canadians would pay this tax without knowing it.

What effect would the tax have on low-income Canadians? On small businesses? On the construction industry?

The promise to reduce the income tax rate is very attractive, but the Minister has a duty to inform Canadians about the deductions he will eliminate to replace the lost revenue. Will it be the basic personal exemption? The exemption for senior citizens? The exemption for dependent children? The registered retirement savings plan deduction?

Tax reform is a very attractive measure, but I would not want to see us fall into the trap of simplicity at the expense of justice.