

Government Orders

income tax? We have cut down those loopholes very significantly, so as to restore a much better balance.

Madam Speaker, it cannot be said today, as in 1984, that many Canadian companies pay no income tax, because if you compare the Conservative and Liberal records, if I may be a little bit partisan, you realize that far fewer companies can escape taxation with the system that now exists.

Secondly, for my colleague from Manitoba who does not seem to understand, the federal government's budget now shows a surplus of revenue over expenditures—we are not talking about the debt, but about the difference between income and outgo. Compare that to 1984, when we inherited a \$ 16-billion deficit. In addition to paying the debt, we had to borrow to pay for the Liberals' programs, because they spent more than they took in.

Now, Madam Speaker, it is completely different. We take in more than we spend and that is sound management. It will enable us in the short term to balance the budget and thus bring total spending under control. We have done more than our share for this cause, Madam Speaker.

Mr. Mark Assad (Gatineau—La Lièvre): I am quite tempted to challenge my hon. friend opposite. In absolute figures, you will see that, expressed in dollars—because it is the money that counts—the loopholes were greater and more numerous during your first four years in power than they had been previously.

Check the absolute figures.

• (1740)

Mr. Guy H. Arseneault (Restigouche—Chaleur): Madam Speaker, I wish simply to ask my hon. friend to comment on the impact the GST is likely to have on the tourist industry. I believe he is the Liberal party critic in this area and I wish to congratulate him on his speech. I should like him to comment on the GST and its impact on the tourist industry.

Mr. Mark Assad (Gatineau—La Lièvre): As I said earlier, Madam Speaker, I have received a great many letters from companies in the United States which organize package tours indicating that because of the

GST, there will be a lot fewer organized trips to this country generally, and Quebec especially, because most tourists come from the Northeastern part of the United States.

Since the hon. Minister of State (Small businesses and Tourism) is here today and has probably received quite a number of similar letters, I wish to let him know that the companies are asking him at least to allow them to claim the full reimbursement of the GST. It is one of the suggestions, but if this cannot be done, the American companies which are bringing thousands of tourists to Canada generally and especially the Province of Quebec will see their business reduced by as much as between 10 and 20 per cent. That is one of the comments concerning the danger of the GST. All the organizations who are dealing with tourism in Canada realize that the number of tourists in this country will go down because of the GST.

[English]

Mr. Dennis Mills (Broadview—Greenwood): Madam Speaker, I would like to compliment my hon. colleague on his reasoned approach to this debate. We all know of his long years of studying tax reform.

I think that one of the reasons we are losing our competitive edge in this country is that there is a general feeling the current system is not treating people fairly.

The member talked about tax reform in his speech. Would he expand a little on the extent to which we need to go through comprehensive reform in order to get a competitive feeling and a sense of fairness in our economy so we can generate more dollars to help reduce this deficit?

Mr. Assad: Madam Speaker, I thank the hon. member for his question. This is a subject which can go on and on.

In public life we often mention that not only does a government have to be considered above board and honest, but it must give the perception of being so.

If anything in a democracy should be fair and equitable, it is the tax system. Do Canadian people perceive the tax system as being fair and equitable? Far from it. We see more and more Canadians coming to grips with the fact that the whole system is completely out of kilter.