make that effort. In so doing he may discover that government is not an evil force, that unemployment is the disease that needs to be cured in order to get the economy going.

In other words, the leader of the Reform Party is off the mark in his diagnosis of Canada's ills. I submit the problem is not one of expenditures. Canada's problem is one of revenue. Instead of cuts the first recommendation on the road to recovery would be to stimulate and create jobs directly or indirectly. That cannot be achieved, as the member from Calgary who spoke the morning indicated, by balancing the budget. It cannot be done. He should read his economics 101 text to refresh his memory.

Second would be to reduce the underground economy by restoring the confidence of Canadians in our tax system.

• (1250)

A third would be to eliminate as much as possible the tax privileges better known under the name of tax expenditures amounting to billions of dollars in lost revenue to the Canadian public purse.

A fourth would be to repeal the ill conceived legislation passed in 1991, a bill entitled Bill C–19, an act respecting banks and banking, which gave chartered banks a great incentive to invest in bonds at the expense of investing in business.

If there is one point that I would like to leave as being the main thrust of this intervention on my part today, it is that the last thing that Canada needs are cuts in social programs, unlike the theology put forward by Reform Party spokesmen and spokeswomen. A good social security network leads to a healthy and strong economy as the thriving economies outside North America have already proven.

Our illness is not expenditures. The finance department produced last week a most interesting report for November on the condition of Canada's deficit. It was even reproduced nonetheless in the business section of one of our national newspapers, the *Globe and Mail*, of all places. From that we learned that the deficit in November is down from a year earlier, revenue is down, expenditures are down, program spending is down and debt charges are down. Yes, that is what the Dow Jones article in the *Globe and Mail* on page B3 of last Saturday reports as a result of a report produced by the finance department.

We can see that the symptoms are that expenditures and revenues are down. One must conclude that the cure is not to reduce further expenditures even more but to increase revenues. That is what we need to do.

One way to increase revenues is to remove the privilege in our tax system which is costing large sums every year to Canadians as a whole. Let me give some examples.

We have the non–taxation of lottery and gambling winnings. Do members know that cost in revenue to the Canadian people every year? For 1991, the latest year for which we have figures, it was a loss of revenue of $860 million.

Then we have the $100,000 exemption of capital gains which meant in the same year a loss in revenue of $665 million. This is not a member of Parliament speaking, it is the finance department speaking in its report issued last week and reproduced partially in the business section of the *Globe and Mail* as I mentioned a moment ago.

Then we have the dividend, the gross up and credit which account for a loss in revenue of $700 million. Then we have the partial inclusion of capital gains which is a loss in revenue of $665 million. Then we have the investment tax credit of $49 million.

Moving from personal to corporate income tax we find, again according to finance department figures just published last week, items like subsidies for business meals and entertainment. For instance, there is the box at the Skydome in Toronto if one takes it for $100,000 or whatever the fee is, or escort services or no matter what. That total loss of revenue is $357 million.

• (1255)

Then there are subsidies for multinationals investing overseas, such as exemptions in foreign currency deposits. The amount is $505 million a year. Then there is the partial inclusion of capital gains, some $417 million in 1991.

There are more items: subsidies for business lobbying, business advertising, real estate developers and professionals. For all these items, strangely enough, the finance department is incapable of providing a figure despite the urging—note this—of the Auditor General over the last five or six years to do so, if my memory does not fail me. We still do not know the extent of these tax expenditures. I submit that these are tax privileges which in times of economic hardship are unacceptable.

Let me bring up another facet in the jungle of revenue losses. In Canada there is no minimum corporate tax at the present time. Some would think that we must be competitive with the giants south of the border and we cannot have a tax that they do not have. It turns out that in the United States there is a minimum corporate tax of 20 per cent.

We do not know the revenue loss in relation to this tax nor the losses incurred through a Canadian tax exemption called the 21–year trust rule. Has one ever heard about the 21–year trust rule which the Tories renewed in the dying days of the last Parliament? Yes, there is, Maryanna, a tax called the 21–year trust rule. The estimated loss is in the hundreds of millions of dollars. However the finance department is not capable of telling us the precise amount. It cannot. Is that not strange?