

*The Budget—Mr. Rocheleau*

buy out its nearest neighbour and bids the stocks up to three, four and five times the realistic price? Is that not inflation? Does that not create inflation? I could go on to point out numerous other examples of how the current tax policy creates inflation by permitting one group, in this case rich citizens and the corporate sector, to bid too much for goods and services, something which is inflationary.

I wonder why the Government did not choose to begin using a more equitable tax system so that I, as a small businessman who has paid 30 per cent on my tax earnings and invest my 70 cent dollar in a new business, will not face unnecessary competition from a big multi-national that has not paid any taxes even though it has been very profitable and is sitting there with 100-cent dollars. A 70-cent dollar just cannot compete with a 100-cent dollar. It is not fair. It ends up skewing the business climate as well as being inflationary. I wonder if the Hon. Member could tell us why the Government has refused for these many years to shift back to a more equitable taxation system that would in fact fight that inflation.

• (1630)

[Translation]

**Mr. Larrivée:** Mr. Speaker, the Hon. Member opposite asked why the Government dit not years ago change its method for taxing corporations. I must tell him right now that I have only been here for six months, so I am hardly in a position to know why previous Governments did not make that change. New Democratic speeches, Mr. Speaker, always try to make the point that we could solve all our problems if we taxed industry, the multinational corporations, while spending more. There is something I find a little amazing in this debate. Everyone is aware that we have a difficult debt to manage at \$320 billion, everyone knows. Everyone recognizes we have a debt, so everyone must realize it. But since we came back here in the beginning of April, I have not witnessed a single instance where either the Liberal Opposition or the New Democratic Opposition did not blame the Government for not putting enough money into programs. They never have enough. Even where programs were left untouched, there is never enough. Every single day they ask that we put back millions and billions of dollars, that we hire more staff. They suggest there is not enough for the

environment. They suggest there is not enough for transport. Nowhere is there enough, although we have that \$320 billion debt. Not being an economist, I cannot easily explain why industry is not taxed at par with individuals. But one thing is sure, the Budget that just came down ensures that industry, the multinational corporations pay a minimum tax.

This might not be high enough Mr. Speaker, but it is a beginning, and if the Hon. New Democratic Member recognized this so much the better. But it is not enough. On the one side those taxes are not enough, and on the other they want to have more. Perhaps I would have a question for the Member, where would we end up with all he has to propose?

**Mr. Gilles Rocheleau (Hull—Aylmer):** Mr. Speaker, I welcome this opportunity to speak to all Canadians and especially to my constituents in the riding of Hull—Aylmer, which is located in the National Capital region. Mr. Speaker, only a few days ago the Conservative Government brought down its Budget, or rather leaked its Budget the day before, as a diversion, since it is a Budget that was very difficult to explain, and Government preferred to have questions about the leak itself instead of about the real reasons behind the new taxes and cuts in program spending we have seen.

Mr. Speaker, the Official Opposition has some important questions. Before November 21, Canada was in good shape. Not a cloud on the horizon And now, hardly six months later, we have total disaster. We have the worst debt and the worst deficit Canada has ever had, and we are now seeing major cutbacks in social programs, although the Government promised Canadians before the election on November 21 there would be no cuts. Before November 21, Canadians were deceived by this Government's promises, and today we have to pay the consequences.

I will comment very briefly on free trade. In my riding, especially in the Municipality of Aylmer, Northern Telecom is scheduled to close down in a few months: 624 jobs.

There have been several mergers recently. For instance, E.B. Eddy in Hull was acquired by Scott Paper, and a number of foremen lost their jobs. The Gillette plant closed in Montreal. And all because of free trade.