

Borrowing Authority

economy of the country, it is quite nerve-racking to think of this amount of borrowing authority in the hands of the Government.

First, the Government brought this Bill forward before the Estimates were tabled which, as far as I was concerned, was a deliberate affront to the Members of this House. I do not think that that is any indication that the Government has any idea of what it wants to do.

Let us look at some of the things which the Government is trying to do. The Minister of Finance (Mr. Wilson) said in 1984 that he did not believe that taxes should be raised any more, that taxes were high enough in Canada. That was his position at that time. Since the federal election in September 1984 the Government has increased excise taxes on gasoline by five cents a litre. Transposed into gallonage, that increase is 23 cents a gallon.

In December 1979 the then Progressive Conservative Government, in presenting its Budget, stated that it was going to increase the excise tax on gasoline by 18 cents a gallon. The Government has already exceeded the figure by which that former Conservative Government was going to increase the excise tax on gasoline and that Government was defeated largely on the basis of that proposed taxation.

If you add to that 23 cents a gallon the increase which the Government has put on sales tax, which also includes a tax on gasoline, we see that since September 4, 1984, the tax on gasoline has been increased by 27 cents a gallon. That is a tax that is going to hit average Canadians the hardest because they are the ones who depend very heavily on their automobiles. It seems that when the Government decides to increase taxes, it looks to the ordinary Canadian.

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Another example of this is the recent statement by the Government that it is going to put a 10 per cent tax on long distance telephone calls. Who are the ones making the long distance calls? Of course, corporations call long distance quite a bit, but who uses long distance calls the most? I think one could say with a certain amount of justification that the persons who telephone long distance the most are persons living in smaller communities.

In large centres such as Toronto, Montreal and Vancouver a certain amount of growth is taking place in the economy and young sons and daughters are able to stay in the area in which they were brought up. There is not the separation of families and there is a closer proximity of friends and relatives. However, in areas such as my area of Cape Breton Island, where the economy has been bad and young people have had to move away to other parts of the country, and where the actual size of the population is small compared to other regions of this country, the need for long distance telephone calls is greater. By adding a 10 per cent tax, we are going to make it much more difficult for these people to keep in touch with friends and relatives. We see that the tax the Government is

imposing once again goes to hurt the middle-income earners of Canada.

Let us look at what the Government has brought down in its Budget. Other than an increase in sales tax and excise tax and a few other things, it really was not a Budget. It was a self-congratulatory document which the Minister of Finance used to pat himself on the back and to congratulate the Government for absolutely no reason whatsoever. It was to show how the Government was doing so well for the economy.

Let us compare what the Government has done in relation to what it said it was going to do. Not only has it hurt the average Canadian with its tax increases but, generally speaking, it has raised taxes since it has been in power by \$22 billion. It boasts that it was able to reduce the deficit. But the deficit reduction was very small when one takes into consideration the added taxation the Government has imposed upon the Canadian public.

What the Government has done, more than anything else, is widen the disparity between regions that are economically self-sufficient, with growing economies, and those which are already suffering from regional disparity. These regions are concerned about their economic future and the division is growing. This is unfortunate because I think we can say that generally the last few years have been good for the Canadian economy as a whole. But when we see this disparity growing in times of increased economic performance, we have to ask ourselves what is going to happen when the situation reverses? Certainly, if the situation reverses, the more economically prosperous areas are going to go backwards. But one also has to assume that the regions which are having some economic difficulty will also go backwards. In many cases, however, there is no room to go backwards. They are doing poorly now and if they go back any farther it would create a very chaotic and desperate situation.

At a time when the economy is doing well over-all, the Government has to look at the areas of this country which are suffering from very severe economic difficulties. What is the Government doing? It is doing very little. It is actually reducing its spending on regional development. It is presenting a smoke and mirrors package, saying "Look. We have created the Atlantic Canada Opportunities Agency. We created a similar agency in western Canada and one on northern Ontario, and these agencies will be the answer". What the Government is really saying is that these areas will be the recipients of certain amounts of money, money which has been taken from other programs such as the IRDP, which expires at the end of June. The money will simply be funnelled into these particular regional programs.

The Government says that these programs will be used for those particular areas, but they are not really going to do the job. It is a political move to hopefully appease these regions of the country. The Government is going to set up a new department, a department of industry, science and technology. This is where the real money is going. It will go to the areas which are already experiencing good economic conditions. We are