

Borrowing Authority

the value of currency. The fact is that in a country such as Canada which has credibility in the world and is part of the G-7, we have to act responsibly. Clearly we have to address the debt problem, and the way to do it is the manner in which the Minister of Finance has proceeded in this Budget. That is to reduce expenditures fairly and evenly across the economy and to increase taxes.

I listened to my hon. friend with whom I served on the Finance Committee for several years for the entire 20 minutes, but I did not hear any kind of useful, practical suggestion from him. I heard the usual complaining about those mythical corporations which are profitable but, because they carry forward perfectly legitimate losses or because they have perfectly legitimate investment tax credits, pay no taxes. We all know about that silly song. We are looking for a practical solution, a practical suggestion, from Members of the New Democratic Party. Surely it is not enough to continue to whine, complain, argue against reductions and argue against tax increases. I would like to hear a positive suggestion from Members of the New Democratic Party. If they are talking about taxing these mythical corporations, let us hear some concrete suggestions about how we could do it and at what percentage. Will it be a capital tax on large corporations? That is good but do they want it increased over what it was in the Budget? If so, they should say so.

I heard the Hon. Member complaining about the value of the Canadian dollar. Somehow we are to force down the value of the Canadian dollar as evidence that we are a vibrant country. Surely if reducing the value of a country's currency is to be something that is valued, then Bangladesh would be a world power. Clearly, the value of our currency *vis-a-vis* other currencies is simply a reflection of the esteem in which our country is held, and I am proud that the value of the Canadian dollar has enhanced over the past couple of years. I think it is simply a measure of the esteem in which this Government and the Minister of Finance are held around the world.

I would like to close by asking the Hon. Member, who can hardly restrain himself, for a concrete suggestion, just one, for dealing with the debt problem. How would Members of his Party reduce the deficit? We do not want to hear the same old garbage about these mythical profitable corporations. Let us hear it from the Hon. Member.

Mr. de Jong: Madam Speaker, indeed it is a delight to answer a question from my friend and former colleague on the Finance Committee. First, had my friend stayed on the Finance Committee long enough, he would have heard some suggestions to which everyone on the Finance Committee agreed, but unfortunately, at the time, the Minister of Finance did not accept them. Had some of the recommendations we made regarding taxing financial intermediaries like the banks been accepted by the Government, there would have been more revenues from financial intermediaries. Had the Government accepted the notion of an advance corporate tax which is not quite as good as the minimum tax on corporations Members of the New Democratic Party have been proposing, more revenues would have been collected and we would have had a fairer tax system.

My friend rises in the House today and welcomes the higher Canadian dollar. I suspect he does not say that too often in his home constituency. I am sure the ranchers there are not all that pleased with a higher Canadian dollar. In fact, my friend believes in the free market. If he really believes in the free market, why does he not allow the dollar to simply float in the free market? Why does he not allow interest rates to float in the free market? If interest rates and the dollar were allowed to float in the free market, I would suggest that they both would be down quite substantially.

Mr. Stupich: And the deficit.

Mr. de Jong: Indeed, and the deficit, because interest rates would be lower.

Canadians are still saving. The bloom has gone off the southern Ontario boom. The demand for excess capital is not all that great. Interest rates could very well begin to go down. It is the activist intervention of the Bank of Canada and the Government that is keeping the interest rate up. The interest rate is being kept up, I suspect and I submit, because of the Free Trade Agreement.

We have made suggestions for dealing with the revenue side. I would suggest to the Hon. Member that we all agree that the deficit is a problem. How are we to tackle it? First and foremost, Members of the New Democratic Party insist that it has to be done fairly. The record of this Government is that it has not been done fairly. It has been done on the backs of the poor and middle-income earners. Every social study has proven that fact. Surely the Government cannot deny that.