

Government Orders

think he should join it, as he has in his speech, and remember who the enemy is.

As I understand the government's line, the Conservative's line is basically that we have had Liberal governments in this country for almost as long as we can remember except for the last five years, and those Liberal governments ran up a horrendous deficit by mismanaging the Canadian economy, by staying in power, by giving lots of grants, by printing money, spending money, and pretty well spending their way into continued power and eventually it caught up with them.

So there is an allegation of mismanagement by the Conservatives, who have done some mismanagement of their own to the economy. They have basically just continued the program. They are saying to the hon. member that the party which he represents has some responsibility for this GST because the government has to raise money to deal with that past deficit. I would ask him to deal with that.

Second, I would ask him to suggest some alternatives. The Liberals are a funny group. They are like mugwumps. A mugwump is someone who sits in the middle of a fence with their mug on one side and their wump on the other and you never know which way they are going to fall. You do not really know what the Liberals stand for. They can articulate an opposition to something like the GST but they do not know what they stand for. My question is, what are your alternatives to the GST?

Let me ask you more specifically: Would you favour getting rid of the \$100,000 capital gains exemption, not on houses and on farms but on stock markets and so on? This would save the government \$1.5 billion. Would you be prepared to decrease interest rates by 2 per cent which would save the government \$3 billion? Would you consider bringing in a corporate minimum tax like the Americans? This would save another \$2 billion. Would you consider a wealth tax in which you could really redistribute some income? You could save \$1 billion to \$2 billion there.

In other words, you could pick up the money that the government is getting through the GST, which is basically a tax on middle-income families. In my riding of Port Moody—Coquitlam taxes on middle-income people earning from \$25,000 to \$40,000 have been increased by 60 per cent by this government. People earning over

\$125,000 a year have actually decreased their payment of taxes.

We are clear in the NDP what we stand for. We have proposed all these alternatives. What are the alternatives of the Liberal Party to the GST, or are they going to continue to be mugwumps?

Mr. Manley: Mr. Speaker, I think when the hon. member began he asked me to remember who the enemy was, suggesting that it was not he.

After that long oration I would like to go back to the question of tax reform in general. In fact, I spoke on this on an NDP motion day back in the fall. At that time we debated the issue of tax reform on the basis of their motion. I think I was very clear in stating that I believe that general tax reform was necessary and that the goods and services tax reform was not one that represented a meaningful improvement.

I think that is the message that we tried to deliver in preparing the Liberal minority report from the finance committee on the goods and services tax. What we have before us is a proposal by the government to bring in an alternative to the existing manufacturer's sales tax.

• (1550)

Unfortunately, we are not in an election campaign. I wish we were. If we were I would say that our party, as well my friend's party, should be bringing forward specific alternatives to say what we will do if the people elect us. Unfortunately we are not in an election campaign and therefore what we need to do, as opposition, is to focus the debate in the country on this prime question: Is the government's proposal a measurable improvement over the status quo? That is the debate.

I believe that it is not. I believe the people of Canada agree that it is not. But as soon as we start to debate some other scheme of tax without having a good hearing of what the people of Canada think and what they believe that tax reform should look like, we let the government off the hook. We let them try to beat a straw man over the head, some alternative that my hon. friend and his research department have cooked up or what we have tried to put together with the minimal resources that are available to us.

I believe Canadians need to be heard on the issue of tax reform. I do not believe that this government is interested in listening to them. I think if we form the