

Government Orders

ly families and children in those families, being pushed to the poverty level.

One child in six in Canada is now poor. Almost one-half of Canadians who rely on food banks are children, almost one-quarter of a million children.

In the period now of a major recession, major hardship, this government is further tightening the screws on the very poor in this country by putting a cap on the Canada Assistance Plan through this proposed legislation.

This program affects the very poor of this country by turning the screws on them even more. I think the human hardship and the human fatalities that this will create are things that Parliament should really know about.

We hear, in some ways rightly so, that we do have to control our deficit. Our deficit now is an outrageous \$400 and some billion. Well over a quarter of government revenues every year go just to pay the interest on the debt, close to \$32 billion I understand. I could be corrected but it seems to me it is around \$32 billion a year.

An hon. member: \$43 billion.

Mr. de Jong: Some \$43 billion a year goes just to pay the interest on our debt. I consider that to be a transfer of wealth to the wealthy.

Who are the people who benefit from this? You have your financial institutions, your lenders, the people who have money to save and to put into Canadian bonds. You have banks and foreign investors. These are the people who get the \$43—some billion. Imagine what we could do with \$43 billion in this country. To blame the poor, to blame those who are on welfare, I think is disgusting. It is obscene. They are not the cause of the deficit.

We have often heard members on the right and the Tories say we have been living beyond our means. By this I suspect they mean that our social programs are too rich. I knew a number of years ago, and I suspect the statistics are still the same, that what we spend as a percentage of our Gross Domestic Product on social programs such as health, education, family allowance, old age pensions, welfare, education and so forth is the second lowest of all the industrialized countries of the world. We spend less than Holland, Germany, Denmark,

Sweden, Norway, Italy and England. Only the United States spends less than we do on social programs.

Do not tell me that we are spending too much on social programs or that it is the poor who have caused the deficit. There are countries such as Germany and England that have Conservative governments, but those governments I suspect have more of a social conscience than this government.

What is the cause then of our deficit? The real cause of the deficit, and it was illustrated in the budget in 1979 which the then Conservative Minister of Finance introduced, is tax expenditures, the tax loopholes. Those were the loopholes put in by the Liberals under their former finance minister, the hon. member for Vancouver Quadra.

These loopholes allowed, for example, a clerk in 1983 to pay actually more in taxes than the Royal Bank of Canada did. Even though the Royal Bank of Canada had over some \$360 million worth of profits that year, it did not pay one cent of tax.

These tax loopholes are the cause of our deficit. We did not collect the revenues we should have been collecting. Another beautiful example is tax reform in 1971 with the notion of a dollar is a dollar is a dollar. Whether one earns a dollar in terms of work or a dollar in terms of profit or a dollar in terms of dividends or an increase in capital gains, a dollar should be taxed.

In 1971 when we did away with the inheritance tax the government of the day, the Liberals, in order to help the Compeaus and the Westons and its large wealthy friends allowed them to put their wealth in a trust. At that time it was estimated that they were allowed to put their wealth in trust and not pay taxes for 21 years; in other words a deferral for 21 years.

• (1600)

Mr. Lee: Mr. Speaker, I distinctly heard the member who was speaking refer to another member by that member's name.

I believe the member would more properly be referred to as the member for Vancouver Quadra. I am sure the member is aware of that rule and I am sure he would want to follow it as closely as he could.

The Acting Speaker (Mr. DeBlois): The hon. member for Regina—Qu'Appelle, you have two minutes left.