

*The Address—Mr. Cassidy*

Wealthy Canadians in the corporate sector keep urging the Government to bring down the budgetary deficit. Last year the Minister of Finance (Mr. Wilson) went to Bay Street to talk to those wealthy Canadians. He told them that even though he had miscalculated figures for the current fiscal year, he intends to stay the course and continue deficit reduction as his top priority. It is about time he realized that the view from Etobicoke and Bay Street is not the view of the average Canadian. The Government needs to respond to the needs of the average Canadian, not just those who are well off in the areas where he hangs out in southern Ontario. On behalf of millions of Canadians threatened with unemployment and job insecurity I want to know why the Government could not have used the Throne Speech to point to the unacceptably high unemployment rate of 9.7 per cent across Canada and set targets for systematically bringing that rate down rather than just setting targets for deficit reduction.

It is the same thing when you talk about taxes. In the last two years the Government increased taxes of ordinary Canadian families by \$1,300 per year. At the same time it cut tax rates for corporations and the rich. Last month we released figures which show that every year some 80,000 profitable Canadian corporations, almost one-third of the total, with income in the \$12 billion range, paid no corporate income tax. In some years a teller at the Royal Bank on Sparks Street in my constituency paid more income tax all by herself than her employer had to pay on assets which today total \$98 billion across Canada. Is that fair? It is another sign of what I mean when I say that we now have two Canadas, one rich and one poor.

Canadians were looking for a clear sense of direction in the Throne Speech, not just the mushy generalities they got. I would like to outline what I and my Party see as priorities which should be put in place and will be put in place when the NDP forms the next Government of Canada.

The first priority should be to put jobs first and not the deficit. When the Minister of Finance announced an upward revision of the deficit, he assured his former colleagues on Bay Street that the program for deficit reduction remains in place. He has yet to give the people on Main Street his targets for reducing unemployment, and in my view he has his priorities wrong. No single move will do more to cut government costs and boost tax revenues than putting Canadians back to work. In other words, if we put jobs at the top of the priority list, that will help with the deficit picture as well. However, the way it is happening right now, we can see that the preoccupation of the Government with the deficit is reducing disposable income, reducing Canadians' willingness to buy goods and services, and is serving as a drag on the economy and making it impossible to create new jobs.

The experience of Manitoba's NDP Government when they came back to power five years ago, the experience of the NDP Government in the Yukon which halved the rate of unemployment in its first year of office, show that a Government can set

meaningful targets for reducing unemployment and can achieve them. We should be doing that here in Canada.

We should also be committed to being fair to every region and every Canadian in every part of our country. The emergence of two Canadas has got to come to an end. The idea that the prospects for someone from Cape Breton are dismal, whereas his counterpart living in southern Ontario, in Toronto, Hamilton or London, will have rosier prospects is surely intolerable and we should now bring a sense of hope and promise to people in all corners of Canada. Faced with this challenge the response of the Government has been to do nothing except tell the regions that they are going to have to pull themselves up by their own bootstraps.

*[Translation]*

Eighteen months ago, Mr. Speaker, the New Democratic Party's employment task force travelled throughout Canada seeking solutions to our unemployment problems. Our report was an endorsement of the initiative shown in various regions, the contribution of small- and medium-sized businesses, and the urgency of decentralizing programs and being flexible.

Apparently the Government has agreed to some of our recommendations, but this will prove to be a worthless exercise if no money is available to fund a new approach to regional development. The two Canadas will continue to exist but the gap between them will simply grow ever wider.

• (1220)

*[English]*

Without a commitment to equality and justice as well as decentralization and flexibility the disparities will continue, particularly if the Government continues to see its main role as allowing the private sector to make southern Ontario rich while the rest of Canada slips back into depression status.

The third issue is that of fair taxes. The Finance Department's own polls show that the vast majority of Canadians believe that the tax system is unfair. There is an emerging and growing concern about our tax system. It has become so bad and so ineffective that even the corporate sector is saying that something must be done. However, the corporate sector's solutions are becoming the Government's solutions and they are not the solutions for ordinary Canadians.

The Throne Speech says that personal income taxes will be decreased. We would welcome that, Mr. Speaker, but we know what the Finance Minister has in mind. He wants to bring in a business transfer tax which will be a new form of tax on consumption that will be paid by ordinary Canadians. It will replace and broaden the existing manufacturers sales tax. No matter what you call it, this is not a tax on business but rather on individuals.

It became clear from our tax probe over the course of the last year that the present system is unfair, inefficient and unaccountable, particularly when it comes to the billions of dollars of concessions given to corporations. President Reagan