

Borrowing Authority

• (1110)

GOVERNMENT ORDERS

[English]

BORROWING AUTHORITY ACT, 1986-87 (NO. 2)

MEASURE TO ENACT

The House resumed from Monday, March 9, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-40, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to start off debate today on Bill C-40 which requests greater borrowing authority. We have heard much in the House from both members of the Conservative Party and of the Liberal Party about the deficit. When we start discussing borrowing authorities, it generally boils down to a debate concerning the deficit. Historically opposition Parties criticize the Government for not managing its affairs better and thus producing the type of deficit we have today. Then of course the Government justifies it by claiming that it was the previous administration which caused inefficiencies in government, and that it is doing everything possible to alleviate the deficit. Thus we end up involved in this type of discussion on the deficit.

It surprises me when I hear spokespeople from the Liberal Party during this type of debate. It was not too long ago when they formed the Government and laid the groundwork for the type of deficit we are facing today. It is also surprising when one hears the comments of Conservative government Members. Their justifications in this debate were quite different than when they were in Opposition. In fact, a sort of flip-flop occurred.

The Conservatives today are taking the same line which the Liberals took just a few years ago, and the Liberals are taking the line which the Conservatives took just a few years ago. In essence, nothing has changed.

It is true that the policies of the former Liberal Government are a great part of the reason for the deficit today, but not necessarily the type of spending which that former Liberal Government undertook. When the Conservatives were in Opposition—and they still believe it as the Government—they claimed that the reason for the deficit was Governments had been living beyond their means, and Governments had spent too much on human and social programs.

However, let us look at the figures in industrialized nations or in OECD countries of the world. We begin to realize that what we as a country spend as part of our Gross Domestic Product on social programs is below that of almost all other industrialized countries. We spend less on old age pensions, education, family allowances, and social programs such as unemployment insurance and housing than do Holland, Germany, England, Italy, Sweden, and Denmark. What we as a country spend on social programs is less than what almost all other industrialized countries spend on social programs.

Compared with other industrialized countries, Canada is not spending more on social programs. In fact, as a country we spend less. In part that is understandable.

Given the resources of the country and given the relatively young age of our population, there should be no reason that we in Canada should not have full employment and more opportunities for Canadians to find meaningful work with an adequate income to supply the basic necessities and needs.

When I hear Conservative Members telling us and the Canadian public that the reason for the high deficit is that we have lived beyond our means and our social programs have been too rich, I say balderdash. The facts do not support that contention.

Let us take a close look at the cause of the deficit. The real reason for it is that Liberal Governments and Conservative Governments have not been collecting the taxes they should have collected, mainly from the corporate sector. If there is a free lunch in Canada today it is one enjoyed by corporations. When we look at the statistics we begin to realize that the total number of profitable corporations which paid no taxes in 1983 was 79,196. Almost 80,000 profitable corporations did not pay a cent of tax. Their profits were roughly \$13.3 billion. In other words, \$13.3 billion in profits were not taxed at all. Those corporations did not contribute a cent to the operations of the country. That is a free ride and a free lunch.

If we break down that figure, we begin to realize that the number of profitable financial corporations which paid no taxes in 1983 totalled some 28,000. Their profits were \$7.2 billion. Not a cent of tax was collected from the 28,000 financial institutions which had profits of over \$7 billion. The number of corporations with profits of over \$25 million which paid no taxes in 1983 was 64. In other words, 64 companies with profits of over \$25 million did not pay a cent of tax. That is another free lunch, and the figures continue.

When we talk about the deficit and the reason for it, let us not be fooled by propaganda which claims that our old age pensioners are on a free ride, that we pay too much to mothers and fathers to raise their children, that our unemployment insurance system is too rich, that our welfare system is too rich, or that we spend too much on education, hospitals, and other health services. No, that is not the reason for the deficit. The reason for the deficit is the free ride enjoyed by large corporations.

I think the Minister of Finance (Mr. Wilson) finally recognizes the problem facing Canadians. In the last month we heard statements from him suggesting that corporations have been on a free ride a little too long. He is now beginning to say that they should be paying their fair share. It has taken some time for a Minister of Finance to awaken to what is happening, and well he should.

When we look at the Minister's statements during his budget presentation and at the documents which he tabled at the time, we begin to realize why his deficit projection from the previous year was out by several billion dollars. The