

Supply

the provinces all the tools they need, especially fiscal, with full tax points so that they can meet their new obligations. The provinces are not asking for a handout. They just want the federal government to have the honesty to say: We are pulling out of certain areas, we are eliminating the costs of duplication and overlap, and we are going to let the provinces, who are in the best position to do so anyway, manage their own affairs, as provided in the Canadian constitution, in the fields of health, post-secondary education and social assistance, to name a few.

This proposal has a dual objective. First, it sets out to eliminate contradictory policies and to allow the provinces to adopt an integrated policy on job training, education, job creation and health, in short truly comprehensive social policies. Second, this proposal allows the provincial and federal governments to reduce their operating expenses by eliminating costly overlap and duplication in programs and services. In Quebec alone, the cost of duplication and overlap is in excess of \$3 billion. I think it would be worthwhile for the minister to consider this proposal.

The second recommendation from the official opposition contained in the minority report submitted to the finance committee in December, as part of the finance minister's pre-budget consultations, is to stop providing subsidies to business immediately, as these subsidies total more than \$3.3 billion and are more a source of patronage than a source of assistance for businesses facing modern day challenges, mostly in terms of productivity and international competitiveness.

The president of the Conseil du patronat du Québec himself made the same suggestion in his testimony. He said something like this: these subsidies only foster competition between those businesses which are subsidized and those which are not, and this is unhealthy in terms of management and business growth. I think that it is fair to say that, however much wisdom Mr. Dufour may have displayed in the past, on several occasions, he really outdid himself this time.

We are suggesting that the Minister of Finance immediately cut business subsidies, in other words to forget about his corporate chums for once and make sure that expenditure restraint targets are met, this year as well as next year.

Third recommendation: these are times of reduced international tensions. Experts we consulted before the last election when the Bloc Québécois became the official opposition say that it is possible, practical and, in fact, desirable that the defence budget be cut by 25 per cent. That is what they said a year ago. National Defence's budget has since been reduced by some 13 per cent, which leaves 12 per cent more cuts to be made, for savings of \$1.6 billion. It is definitely worth it in times of constraint, when the Minister of Finance is actively seeking to save. I think there is a good potential for savings there.

We also recommended and continue to recommend that the federal government withdraw from a huge money pit project in which the government has already sunk over \$3 billion in direct transfers or loan guarantees. I am referring to Hibernia. According to all the studies conducted, except government studies justifying its continued involvement in this harebrained project, oil prices are unlikely to rise in the next 20 years and may even fall in relation to today's prices. If Hibernia is not profitable with today's prices, how can it be profitable in 20 years with lower prices?

If the government really believes in sound financial management, it should start there. I think it is an interesting idea.

• (1545)

Our fifth recommendation was that the government, the Minister of Finance, undertake a full review of the taxation system in preparing his next budget. We are no longer the only ones asking, although we were the first in the last two years to push for the establishment of a special committee, made up of elected parliamentarians, to review the whole tax system, item by item.

The Canadian tax system is very complex and has not undergone a thorough review in 25 years. Some tax experts mired in administration will, of course, tell us that changes have been made, but these changes are nothing more than patchwork and cannot be compared to a thorough review.

They added some provisions and removed others, and made more additions and deletions. For example, they allowed big businesses to hire renowned tax experts familiar with Canadian tax loopholes. And there are many of them. We have discovered new tax loopholes every day since becoming the official opposition.

The time has come to undertake a thorough review of the tax system. I do not understand why finance department officials, the finance minister himself, the revenue minister and the members of our third party are all opposed to this idea. I do not understand why they are against reviewing the Canadian tax system when many experts, if not the vast majority of them, see this as a necessity at this time.

Our tax system—and particularly our corporate tax system—is the most complicated one in the world. And I am not just expressing my own opinion.

There are people in the United States, including tax experts and economists, who simply cannot figure out our system. I should point out that, towards the end of the Reagan administration, the United States undertook such a process. The Americans reviewed their whole tax system. They did not only look at the corporate tax system, but also at the personal income tax program. They streamlined their whole system to the greatest possible extent. The Americans did not do that just to simplify matters, but also to facilitate detection of tax evaders, including those who take advantage of their financial means or corporate income to hire experts who help them avoid the tax man. It is