

Borrowing Authority

Mr. Deputy Speaker: Order, please. The hon. member has the floor. I am sure there will be an appropriate opportunity to reply to what the hon. member is saying.

Mr. Thacker: Thank you, Mr. Speaker. If we take the budgetary revenue of \$40 billion and add the Canada Pension Plan input of \$1.4 billion and subtract the budgetary expenditures of \$51.5 billion and the loans to Crown corporations, there is a net financial requirement of \$10.4 billion. This is the amount which the federal government will have to borrow from the Canadian capital market and the international market. That figure is not a figment of my imagination. That figure comes from the public accounts of Canada.

The government is really taking that money from the Canadian capital market, and this is causing serious problems because the government is competing against our citizens and private corporations for money, which may be invested in small and large businesses to create jobs, give people cash flow, bring on new products for sale in the international market and bring more money into the country, thereby creating more income tax revenue. The government has the advantage of being able to pay any rate of interest. Everyone knows that it has a deep pocket and that it can reach far into it.

I often wonder how the NDP can sanction such action because it does not bode well for senior citizens and the working man that party purports to represent. Such action fuels inflation. There are simply too many dollars chasing too few goods, and this distorts the productivity of the nation, which is really the bottom line because, whether we like it or not, we are competing in the international market. The only time Canada can move up an inch on the rest of the world is when we are exporting more than we are importing.

Canada also takes money from the international money market to pay for the deficit. In effect, what we are doing by borrowing in the international money market is competing against the lesser developed countries which could really use this money. We are doing the same thing in the oil industry. Canada is out in the international money market in spite of the fact that we are a country of a mere 23 million people sitting on the assets of half a continent. Morally, we should be self-sufficient in money and oil, but we are not. Canadians are out there like beggars competing and taking money from lesser-developed countries. This is absolutely wrong, and any government which would get us into such a situation and then carry on is clearly making a grave mistake.

Once again, members of the NDP seem to back this policy of the government. If one listens to their rhetoric, one comes away with the belief that they are interested in the poor people of the world. If they are really interested in the poor people, they should be standing up and fighting this type of program which is making us competitors in the world for oil and money. Canada should be a supplier of energy and money to the world. In this way we could really do something for the North-South dialogue.

Let us look for a moment at the revenue details. There are basically three types of revenue at the federal level. There is revenue from the personal income tax and corporate income tax, different forms of sales tax and then our return on investments. Let us look at the figures involved and then ask a few questions. Personal income tax revenue for 1980 was \$16.8 billion, corporate income tax revenue was \$6.9 billion and a tax on non-residents raised \$.8 billion, for a total of \$24.5 billion. That is the total revenue from people and corporations. Some \$4.6 billion was raised by way of sales tax. Customs duties brought in \$3.0 billion and excise duties amounted to \$.9 billion. Oil export charges brought in \$.7 billion. An excise tax on gasoline raised \$.4 billion, and various other taxes raised \$.5 billion. The total through direct taxation, was \$34.9 billion.

The government receives returns on its investments. The Bank of Canada returned \$1 billion. CMHC returned \$.8 billion, and the Farm Credit Corporation returned \$.2 billion. Our Post Office raised \$1.1 billion, and from other sources the government received \$.2 billion for a total of \$5.1 billion. The grand total of all our revenue is \$40 billion.

We must ask, and it is something at which the task force should really take a look, whether we are, by way of our individual income tax, paying a fair share. Is \$16.8 billion out of \$40 billion a fair percentage to collect by way of personal income tax, corporate income tax and non-resident tax? When that sum is contrasted with the sum of \$34.9 billion, the amount raised by direct taxation and duties, we cannot say that our income tax system is progressing.

Again, we have the NDP agreeing with the government on direct sales taxes, which are not progressive at all and which clearly hurt the bottom end of the spectrum more than would a progressive income tax. If members of the NDP were genuinely concerned about progressive income tax, they would be fighting these sales taxes, but I do not hear them doing that at all.

What are our effective rates of income tax? Again, I must go to statistics for 1978, which are the last statistics available. The statistics include a detailed analysis of the returns. Some 14.3 million income tax returns were filed. If one received an income of \$15,000, only 26 per cent of the taxpayers of the nation would pay more tax, and the effective rate would be 8.77 per cent tax. On an income of \$20,000 only 13 per cent of the taxpayers earned more, and the effective rate was 10.88 per cent. On earnings of \$30,000 only 2 per cent of the taxpayers of the nation earned more, and the effective rate of tax was 13.94 per cent. On earnings of \$40,000, which is what many MPs earned a short while ago, only 1 per cent of all the taxpayers in all the nation earned more, and the effective rate was 14.93 per cent. At the magic figure to which MPs aspire of \$50,000 only one fifth of 1 per cent of taxpayers would earn more money. Even at that high rate the taxpayer's effective rate on total income is only 17.47 per cent.