

Borrowing Authority

Mr. Speaker, this is not new, and I am sure you and the Members of this House will agree, and in fact Canadians all agree they have had enough of Government red tape. If we want the tax reform to be objective and feasible and fair, it should provide us with a simple system that can be understood by everyone. Our tax system should be aimed at one specific purpose: to finance our programs, both economic and social, in a manner that is non-discriminatory.

Mr. Speaker, another bit of advice I would like to give the Minister of Finance concerns his so-called business tax, his new sales tax that could well lead to a tax revolt in this country. I must say that Canadians are ready for a revolt. It has happened before, and people from the general area around Montreal Island who know something about municipal taxes . . . If the Minister of Finance proposes a new sales tax that will take even more money out of the pockets of Canadian taxpayers, we are going to have some very violent demonstrations.

To avoid this, and to make tax reform acceptable, the Minister of Finance should indicate in his White Paper the goal of this new tax which should be objective and not penalize small businesses.

The important thing is that as soon as his White Paper is published, the Minister of Finance should make it clear how he intends to exempt small businesses from this new tax system.

Mr. Speaker, today, and the Minister of Finance said so himself so we agree on that, only one third of our businesses are subject to federal sales tax. If the new sales tax applies to everyone, Mr. Speaker, this means that the majority of small businesses that are not subject to federal sales tax will be subject to the new tax and will therefore have to cope with an enormous paper burden. They will not accept this, and there will be protests, and we will lose the whole objective aspect of this federal sales tax which could be part of a fair and equitable tax reform.

Mr. Speaker, bearing in mind that small businesses create most of the jobs in this country, a tax system that would be unfair to this sector would increase unemployment and defeat the purpose of the tax reform the Minister of Finance intends to propose and which everyone agrees is badly needed.

Mr. Speaker, although the Opposition is often accused of being negative, I have just given the Government and the Minister of Finance a few constructive proposals. We all realize that tax reform is complex. We realize the Minister of Finance will have trouble reconciling all these aspects within his caucus and his Department. However, considering the Minister has been promising tax reform ever since this Government came to power two and a half years ago, it is high time the Minister of Finance released his White Paper and told the Canadian people what this Government intends to do about introducing a truly Canadian tax reform that is sensible, fair and just.

Mr. Speaker, I would like to caution the Minister of Finance by suggesting that the methods he has been using up till now to

reduce the deficit are misleading and that nobody is deceived by such a tactic. Can you imagine, Mr. Speaker, someone going to the bank to apply for a loan and submitting a balance sheet that would show inflated revenues to embellish his financial situation. And after reviewing that, the bank manager would discover that the applicants' revenues and expenditures are fictitious, and that he submitted a fake balance sheet, that does not reflect the company's true situation. This is exactly what the Minister of Finance has attempted to do with his budget last month, to show a deficit that was lower than \$30 billion by resorting to unacceptable accounting trickery.

Mr. Speaker, he asked businesses to remit tax money every other week, instead of once a month. This automatically will mean twice the paperwork, because instead of filling forms and computing, and balancing payroll accounts once a month, they will have to balance them every other week.

The Minister of Finance in his budget speech suggested this would only affect larger corporations. Again he miscalculated, because any building contractor with 20 employees will be affected, Mr. Speaker. And in my calculations, I only used the Quebec income tax deductions, which of course do not include the Canada Pension Plan nor the fact that provincial income tax is collected. Therefore, if I do the same calculations for the other provinces, the number of employees for a business required to make the accelerated remittances will be less than 20. Therefore, Mr. Speaker, if really we are to initiate a tax reform for the main purpose of reducing paperwork, I think the Minister of Finance is going the wrong way about it. He is increasing the paperload and not reducing it. In conclusion, Mr. Speaker, I submit that Canadians are aware of the deficit problem, which to a large extent was due to a recession.

Canadians are willing to pay their share to reduce that debt, but the Tory Government must prove its good faith. Up until now, they have been doing the opposite, increasing taxes while not reducing the deficit, and the public debt is increasing. Unbelievably, Mr. Speaker, the national debt has increased from \$180 billion to \$295 billion, an increase of about 60 percent within three years. Well, I hope Canadians will see their taxes decreased and not increased, with a proposed new tax system that will be adequate for our economic and social development, that will reduce unemployment, and especially reduce the gap between the rich and the poor, all of which would help us establish a just society which our children could inherit.

● (1650)

[English]

Mr. Hovdebo: Would the Hon. Member give us some indication of the cost to a small business of making submissions to Revenue Canada every two weeks rather than once a month? As far as a small business is concerned what is the extra cost?