

Borrowing Authority

Finance for that. I do not like having to pay one cent a litre more for gasoline. I am sure no one does. However, we have to raise taxes to meet the debt problem and we have to continue to do so, controlling Government spending at the same time. We have to continue to work in that direction.

● (1210)

Another very important part of the Budget of the Minister of Finance was the promises made with respect to tax reform which will begin to meet the problems our people at the lower and middle end of the wage scale are facing. Much of the debt load over the past 15 or 20 years has been through the personal income tax route, therefore Canadians are heartened by that promise. I am sure we are all looking forward in anticipation for the results of that initiative.

Mr. Johnston: Mr. Speaker, could the Hon. Member for Kitchener (Mr. Reimer) comment on the change the Minister of Finance (Mr. Wilson) is proposing in terms of payroll remissions? As you know, Mr. Speaker, he is recommending that employers basically remit twice a month instead of once a month. The purpose of this seems to be to move \$1.2 billion from 1988-89 back to 1987-88, which has the effect of reducing, at least superficially, the deficit to \$29.3 billion in 1987-88. Would the Hon. Member tell us whether he approves of that kind of creative bookkeeping in order to reduce the deficit, of which his constituents, he tells us, are very much in favour? Does he not think this places an undue burden on small and medium sized businesses, which is really not warranted, simply to get the deficit down artificially in this fashion?

Mr. Reimer: Mr. Speaker, in the short time I have to respond let me say that I was talking to an accountant in Kitchener and I asked what that would do. His comment was that, yes, it would create some hardship for some but he did not think it would in all cases. It would depend on how they were looking after this need in the first place. I can acknowledge that if small business has to send this money in that much more quickly, all of their procedures will then have to be changed so that this can be done. They must do it. They have no choice. So, yes, I can acknowledge some hardship. However, this accountant, and I have only talked to one, at least gave me the impression that it was possible. They could do this, although it would create a little extra burden on them.

Again, it is the same theme we have been exercising throughout. That is, that all sectors of the economy must assist in bringing this huge deficit under control. We must show progress each year to reduce the deficit. Therefore, I would say to the Hon. Member that, yes, every new way to collect tax has some imposition upon people, as does this measure, but we must continue to work at it because of the huge debt left to us by the Party of the Hon. Member.

Mr. Deputy Speaker: We will have one more question or comment from the Hon. Member for Winnipeg North (Mr. Orlikow) and then we will resume debate.

Mr. Orlikow: Mr. Speaker, I have a question directed to the Hon. Member. The Government is so determined to reduce the deficit, as the Hon. Member has said, that as part of its program to do so it has cut the transfer funding to the provinces. It has changed the formula for EPF payments so that the payments to the provinces to help pay for the costs of health care and post-secondary education will not be increased as they would have been under the old formula. The Government has also cut the equalization grants. The results have been, and I will just mention the Conservative provinces, that the Province of Saskatchewan announced a few days ago that it would have a deficit of \$1.2 billion and would have to lay off 2,000 public servants. Alberta has a deficit of over \$1 billion. British Columbia announced yesterday a huge deficit. The Atlantic Provinces, which have always had deficits, have even greater deficits now. Therefore, I ask the Hon. Member if that is what the Government meant when it talked about reducing the deficit? It is a bookkeeping thing. It is transferring the deficit from the federal Government to the provinces, and particularly to the have-not provinces which have the least ability to meet the costs of the basic needs of their people.

Mr. Reimer: Mr. Speaker, the reduction in the transfer payments is a reduction in the increase of the transfer payments. It is not that they are reduced, in that sense. It is the increase which is reduced. Let us be sure we are saying the same things.

The Hon. Member mentioned the deficits of the Provinces of Saskatchewan and Alberta as two examples. I would say that is not due to the lower increase in the transfer payments. That is due to the problems with low grain prices and in the energy sector. It has very little to do with the reduction in the increase in transfer payments. I would suggest to the Hon. Member that he look at what is really causing the difficulties and not bring up something which is not contributing to those provinces' deficits in any significant way.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I just want to say that the Hon. Member for Kitchener (Mr. Reimer) did admit in his remarks that the Minister of Finance (Mr. Wilson) was wrong to have made those commitments in August of 1984 when he must have known full well that he could not carry them out. I hate to put him in the position of having to apologize for that incident, but it is true that the Minister of Finance—

Mr. Reimer: Mr. Speaker, I rise on a point of order. The hon. gentleman in the beginning of his remarks said that the Minister of Finance was wrong and I admitted it. I did not say that. I think the Hon. Member is going to have to change his choice of words. Perhaps he will want to express that in another way.

Mr. Deputy Speaker: I think that is a matter of debate. The Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) has the floor.