

Excise Tax Act

Mr. Cassidy: I believe debate is now on the motion that this question be put, but effectively it allows the debate to continue.

The Acting Speaker (Mrs. Champagne): Is the Hon. Member seeking the floor?

Mr. Cassidy: Yes, I am.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, I think there was discussion in which it was suggested that it would be possible to end this debate at the end of today. I do not know where those negotiations are at this time, but I am not quite sure why the Parliamentary Secretary to the Government House Leader thought it necessary to bring forward that particular motion, because it would seem to me that, if anything, it might interfere with our ability to discuss these things—

Mr. Hawkes: Madam Speaker, to the best of my knowledge, outside Routine Proceedings, I have not risen in the House today, so I do not know if I could have put a motion.

Mr. Murphy: It was some other guy. Don't worry about it.

Mr. Hawkes: Perhaps my hon. friend erred accidentally.

Mr. Cassidy: I acknowledge, Madam Speaker, that the vividness—

The Acting Speaker (Mrs. Champagne): That is not a point of order. The Parliamentary Secretary was named as seconder to the motion moved by the Parliamentary Secretary to the Minister of Communications (Mr. Clinch).

Mr. Cassidy: Madam Speaker, I would say that the Hon. Member by his dress is identifying himself as, shall we say, a purple Tory, not quite a red Tory but certainly—

Ms. Copps: You are colour-blind. That is maroon.

Mr. Cassidy: Is it maroon? The vividness of his coat of many colours should remind him that it was his colleague behind him who moved the motion.

I would like to speak with respect to third reading of this particular Bill. The purpose of this Bill is to sock it to Canadians once again in terms of raising revenue from the sales tax. It certainly raises the whole question about the fairness of the tax system which has been put in place and developed by the Progressive Conservative Government since it assumed power back in 1984.

You will recall, Madam Speaker, that in the 1984 election campaign, the present Prime Minister (Mr. Mulroney) indicated: "The rich will pay and pay handsomely under a Conservative Government". Perhaps he was referring to the contributions he expected his Party to receive from wealthy

Canadians in gratitude that they are the only group of Canadians who have wound up paying less taxes in 1988 than they were paying prior to the present Government coming to power in 1984.

I think it is instructive that the American Government under President Reagan, the British Government under Prime Minister Thatcher, and this Government here have all seen fit to sharply cut taxes on the wealthy. I guess it is also worth noting that if there was a role model to follow, instead of President Reagan and Prime Minister Thatcher, it would have been that of the previous Liberal Government which also saw as a priority the cutting of taxes on wealthy Canadians in a very major way.

I was reading this morning some notes which referred specifically to the question of where the deficits have come from. What has been the source of the deficits which we have experienced in this country over the course of the last 10 years and which have risen monumentally since the early 1980s, the time of the recession? Would that that could enter into the record, the strip-tease being done by the Hon. Member in front of every Member of the House.

Since the 1970s, the study indicated, it is not so much increases in spending which have driven the deficit of the Government of Canada to levels with which every Party, including mine, is uncomfortable. It is the amount of tax expenditures. It is the amount of reductions in tax which have been given to corporations, and particularly to wealthy Canadians, which has accounted for something like three-quarters of the current level of the deficit now running at some \$29 billion a year.

I think it is instructive, as well, that the present Government, which did have an option in terms of taking away those tax privileges from corporations, failed at that job. Rather than taking those tax privileges away, it has in fact continued to allow them to exist. In certain cases it has increased them such as was done with the half million dollar exemption on capital gains.

● (1210)

Capital gains were always treated very tenderly by the previous Liberal Government. The present Conservative Government has done it in spades by putting in the \$100,000 and the half million dollar exemption on capital gains. At the time it was introduced it meant that people who dabble in the stock market in a serious way, people who flip houses in hot real estate markets such as Toronto, Vancouver, or Ottawa, people who made money in that way, would be able to have tax-free an amount of money equivalent to what a Newfoundland fisherman or someone who is farming in New Brunswick would hope to earn during an entire lifetime.

I raise that because what Canadians say to us when we have talked to them—and we have spent a lot of time thinking about the issue of taxation in the course of the last three years—is: "We are looking for the tax system to be fair". It