

*Government Orders*

accumulated as much debt as have all the other governments from Confederation until 1984.

That requires unbelievable skill. A public debt of \$351 billion is equivalent to a personal debt of \$25,000 for each Canadian taxpayer. When the Conservatives took over in 1984 the debt was \$18,000 per individual. The doubling of the public debt under this government means that each Canadian taxpayer must now pay over \$2,500 in taxes each year just to pay the interest on the federal government debt.

The people from my federal riding of York North, whether they live in Aurora, Richmond Hill, Thornhill, Woodbridge, King City, Maple, Kleinburg, or Nobelton, tell me that they have lost total confidence in this government, especially in the way it has handled its financial affairs.

On May 23, 1985, during his budget speech the Minister of Finance stated: "Our actions will directly reduce the annual deficit at the end of the decade to \$20 billion." Well the decade has ended, we are into another one, and the deficit has not been reduced. The deficit has risen from \$28.1 billion in 1987-88, to \$28.7 billion in 1988-89 and to \$30.5 billion in 1989-90. That to me is not an impressive record. That is unacceptable, and that is what the people of York North are telling me everywhere I go.

What makes matters worse is that this government has raised taxes on Canadians over 30 separate times since 1984, and still the deficit is not under control. On March 6, 1984 the present Minister of Finance stated: "We would cut spending. We would not raise taxes. Tax levels in Canada are already too high".

For the record, federal tax revenues have increased by \$50 billion since the Conservatives came to power in 1984. In 1984-85 the federal government collected \$71 billion in taxes. In 1990-91 it will collect \$121 billion. Canadians have had more than their share of tax increases to help reduce the deficit, but this government has failed drastically to bring down the deficit.

To the residents of the federal riding of York North and to all Canadians the words "Conservative government" are synonymous with taxes, taxes and more taxes. They are getting tired of paying while they watch a completely incompetent team of economic managers

work very hard at producing economic failure for this nation.

Not only is this government taxing Canadians in an unprecedented fashion, but it has coupled that with a high interest rate policy. This high interest rate policy is choking off consumer spending. It is raising mortgage rates and denying young people the right to home ownership. It is stifling investment in this nation, making Canadian exports more expensive in foreign markets and making it more difficult for small Canadian businesses to compete. High interest rates will lead to more business bankruptcies, more families losing their homes, more plant closings, higher unemployment and fewer jobs for Canadians.

The economic policy of this government also includes the goods and services tax. After having studied the proposal by the government, which started at 9 per cent and went to 7 per cent, Liberal members concluded that the goods and services tax should be scrapped. We felt that the implementation of the goods and services tax would cause serious economic damage to Canada. The GST is certainly not revenue neutral. It would be a nightmare for small business and would introduce unprecedented complexities into the tax system.

We also realized that the GST proposal is regressive and would hurt low income families and persons living on fixed incomes including, obviously, seniors and welfare recipients. We also learned that the GST would not be visible and that the government has failed to consider the long-term economic and social impact of the goods and services tax. We also believe that the goods and services tax would put further pressure on the budgets of provincial governments forcing them to either raise taxes, cut services, or run larger deficits. We came to the conclusion that the goods and services tax proposal would damage several key sectors of the Canadian economy and society.

Obviously we had to also look at at least the parameters of what tax reform we would be introducing. We believe that it should be based on some fundamental principles, the first being fairness. The tax system should be based on the ability to pay. It should be based on simplicity. Tax reform should make the tax system easier for Canadians to understand and thus ensure compliance. We also believe that it should be integrated. Over-all tax reform must encompass all forms of taxa-