

with a disruption on that scale, which would help to transfer people from one job to another to make up for that disruption.

We have also learned that free trade means a tremendous loss of policy freedom for us as a country, not just to do something for sugar-beet producers in Lethbridge but to do something for our fishermen on the East Coast. From that lack of freedom, lack of political freedom will follow and I think we will see a slide away from the independence of this country which young people and ordinary Canadians are simply not prepared to countenance.

There is an alternative to this free trade cop-out. It is an alternative which puts the stress on community development, which talks about cutting taxes instead of raising them, as this Government has done, in order to get the dynamism working in Canada and our economy going. It is an alternative which finds an industrial strategy, which builds on our resources in order to give us jobs for the future. But that kind of imaginative alternative will only follow if we abandon this foolish, dangerous, potentially destructive and certainly incompetently organized thrust toward free trade with the United States.

Mr. Deputy Speaker: Questions or comments? Debate.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I appreciate the opportunity to join in debate on third reading of Bill C-99, an Act to provide borrowing authority. More specifically, it is an Act to provide the authority to the Minister of Finance (Mr. Wilson) and the Government to borrow moneys not exceeding \$22.6 billion, as may be required for public works and general purposes. We have here a proposal to borrow a substantial amount of money in order to ensure that the federal Government will have the funds required to cover the shortfall in revenues which the Government clearly expects will occur during the 1986-87 year.

The points I would like to explore in my comments this afternoon are threefold. I would like to consider why there will be this shortfall, because the question of what attitude we have toward the need to borrow is certainly coloured by the reasons for a shortfall in revenue which forces the Government to this particular expedient. I want to consider, out of my explanation for this shortfall what some of the consequences are for the Canadian people because the Government is forced to continue the borrowing patterns which Governments have followed for some time. Third, I would like to offer some observations on what Government should be doing, following on the changes which are needed to deal with the consequences, with the moneys it wants us to give it authority to borrow.

I may say that I am pleased to see this number of Hon. Members in the House this afternoon. It is a Friday afternoon and we sometimes worry about the number in attendance. I am really pleased to see the number of Hon. Members here today because we have had some abominable attendance here this week. I called for a quorum count during the debate on Bill C-91, following a period during which I was counting nine and ten Hon. Members on the Government benches. While we

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were debating another measure yesterday something of that sort began to appear as well, but then the number of Hon. Members picked up.

Mr. MacDougall: Mr. Speaker, I rise on a point of order. I do not believe the Hon. Member should refer to debates from previous days and the numbers of Hon. Members in the House. I think that should be withdrawn.

Mr. Deputy Speaker: The Hon. Member is not referring specifically to the absence or presence of specific Hon. Members. However, I would ask the Hon. Member to be relevant to the Bill, please.

Mr. Epp (Thunder Bay-Nipigon): Thank you, Mr. Speaker. I am pleased to see we are all here this afternoon in good number to consider this important measure to which I would like to address some observations.

The first question is why the Government expects to experience this shortfall in revenue which forces it to borrow more than \$20 billion for various purposes. The shortfall is surely not the result of individual lower and middle-income Canadians not paying enough in taxes. I do not believe anyone on the Government benches would argue that individual lower and middle-income Canadians are not already paying enough in taxes. In fact, there have been such large increases in taxation in these areas that one would think the need to borrow would be quite removed, given what the Government has done. There have been increases in sales tax. First, we had the approval in the fall of 1984 for the proposed increase which the Liberals had in mind during the last Government. Then we had an additional percentage point of tax put on, and still one more increase. We have had increases in excise taxes in various areas and extensions of sales taxes in areas which were not previously touched by tax. There was then the decision to end the indexation which applied to income taxes, which had the effect of increasing taxes. Now we have a 3 per cent surtax on incomes of individual Canadians. I am sure that my Conservative colleagues opposite, who regard themselves as such defenders of individual Canadians, would concede that this Government has socked taxation to individuals in a very serious way.

The measure of that burden, which the Minister of Finance (Mr. Wilson) has not seriously disputed, although he has quibbled about other things, is that the Government has increased the taxation on the average family by something over \$1,300 a year. This is a heavy and shameful burden to put on individual Canadians at a time when slower economic activity, which is basic to the shortfall, should have called for tax reduction rather than tax increase in order that there could be more business done in our communities.

Obviously, if it is not reduced taxation on individuals which is the cause, there must be some other reason why this shortfall occurred. It surely must have a great deal to do with the fact that the Government has found ways of providing breaks in other areas. I think the most outrageous taxbreak coming from