

apart and rapidly wearing out. The federation estimated that it would cost \$14 billion to renew these facilities before we become caught in a cycle of expensive schemes of temporary repairs. The federation called for a federal, provincial, and municipally financed joint program.

That proposal was rejected out of hand by the federal Government, despite the fact that there were obvious benefits. New construction would mean job creation, which would be a socially useful expenditure and money would be targeted to areas that need it most, particularly in the inner cities.

It was a former Conservative Government headed by Mr. Diefenbaker which inaugurated that type of program with its Winter Works Program. Instead of accepting that proposal, we have the Minister of Finance (Mr. Wilson) rejecting it, and the Minister of the Environment (Mr. McMillan), who should know better, talking about under-priced water supplies to Canadians provided by the cities. Of course, he wants them to pay rather than the federal Government. We are seeing very little innovation from the Government on the expenditure side.

I wish to deal briefly with a couple of other problems. Despite the fact that unemployment is still running over 9 per cent, the Government has cut funding for job creation by \$100 million. It has also taken money away from the governmental non-profit sector, and given a substantial part of the job creation money to the private sector. The result is that there has been little in these programs to help those who need it most, native people, the handicapped, or women.

I wish to comment briefly on what has happened to research funding. When the Conservatives were in opposition they said that if elected they would move rapidly to equal what other countries are doing in the way of funding scientific research and development, that they would move to a point where 2.5 per cent of the Gross National Product would be allocated to those efforts. In fact, we are now doing even worse in Canada than we did when the Liberals were in power. Less than 1.5 per cent of the Gross National Product is being spent for scientific research and development now.

The Government puts its hope in the idea that the private sector will put in substantial amounts of money into research and development. I have yet to meet a scientist who believes that the private sector will do that. If the private sector does not invest, it means that we will fall further behind in the objective of moving toward an adequate expenditure in the field of scientific research.

The Government has failed in its promise to give us a fairer tax system. It has put increased burdens on ordinary Canadians. It has made it easier for the wealthy and the corporations which are profitable to avoid paying their fair share of taxes.

For all those reasons, I and other NDP Members of Parliament propose to vote against this borrowing authority proposal.

**Mr. Lesick:** I have been listening with keen interest to what the Hon. Member for Winnipeg North (Mr. Orlikow) has said

### *Borrowing Authority*

this afternoon, specifically with regard to problems that we have had with the inequities of income tax in 1976 up to 1983, and how the figures had increased from 20 to over 200 for those who were not paying any income tax whatsoever. The Hon. Member said that corporations were paying a much lesser amount of money than private citizens on a percentage basis. The Hon. Member then mentioned the \$500,000 that people can save by selling off their assets.

The Hon. Member should realize that all of these figures that he has given us and all of the items that he has enumerated date back to the time when the Liberals, together with the NDP, formed the Government. Therefore, the Hon. Member should accept some of the responsibility, because he was a Member of the Parliament at that time and he was responsible for part of the problem that we are facing today. It is only farmers who are receiving \$500,000 rather than any person in Canada and, as the Member mentions, just the rich. That is not so. It is that coalition that has caused the problems that we have today. It is that coalition that has allowed the previous excessive spending.

Why does the Hon. Member not admit to being a party to the inequities of the income tax? Why does the Hon. Member not admit to being a party to the extra expenses which the people of Canada are asked to pay? They are the victims of the incompetence of this coalition. It is not the present Government that has caused this problem; it was a previous Government of which at times the Hon. Member for Winnipeg North was a part.

**Mr. Orlikow:** There is one statement which the Hon. Member for Edmonton East (Mr. Lesick) made with which I agree, and that is that the basic faults in the tax system, both in terms of personal and corporate income taxes, were established during the years when the Liberal Party formed the Government. I can agree with that, although I point out to the Hon. Member that it is his Conservative Party which has been in office since 1984 that made these loopholes even easier for both individual taxpayers and corporations. I say to the Hon. Member that he is wrong and that he has not looked at the record when he suggests that we supported the Liberals on those tax measures.

● (1540)

Since the early 1960s, ever since Parliament received the taxation recommendations of the Carter Commission, the commission appointed by former Conservative Prime Minister Diefenbaker, the New Democratic Party has called for implementation of most of its proposals to plug the loopholes. We criticized the Liberals, just as we are criticizing the present Conservative Government, for not dealing with the problem.

Let me say something about my criticism of the \$500,000 capital gains exemption. I do not have the time to go into the details today, but we have made clear that there should be an opportunity in the tax system for farmers and small business people to transfer their land and businesses to their children or