

Taxation

Mr. Kristiansen: The audience has a right to react to the bad actor.

Mr. McCain: I wonder why the loquacious individual on my left has not made a somewhat more in-depth analysis of Canada's economic structure. Has he read the analyses, not only of the precarious financial structure of Canada, but the very precarious structure of the free enterprise system? I suggest that reading a newspaper report of our financial situation is like reading an obituary. The number of bankruptcies in fishing, farming, forestry and small and large business is increasing day by day. Yet the government continues to attack the profit system which creates the jobs.

I suggest to this House that until such time as we start to balance our thoughts and philosophies with the economic reality of development and employment, this nation is in for a very hard time.

The hon. member for London West suggested that there is room to blend free enterprise and the public sector. The fact that we have done this has proven that there is room to blend. There was room for some Crown corporations to operate in Canada in particular areas such as the nuclear energy program, transportation and public utilities. Evidently, the public could be served better by a Crown corporation in those endeavours. We have adopted that philosophy and until the government arrived at the point where it attacked, regulated and taxed the property structure and the free enterprise system in Canada, there were jobs. There were jobs in Oshawa, Grande Prairie and in Carleton-Charlotte. Now that it has refused to blend and recognize the structure which has provided so much employment, those jobs exist no longer. People are unemployed and the taxpayers who are paying the cost are the ones who are suffering.

The proper blend between the private and public sector is what is needed and we must understand how to achieve this blend in order to restore this structure. First, we must examine some of the consequences of a declining economy in Canada on a local basis. I would like to use my own constituency of Carleton-Charlotte as an example. There have been several shutdowns by major employers in my constituency. As was mentioned by the hon. member in the NDP, the forest industry has experienced lay-offs and this has happened from one end of my constituency to the other. These lay-offs range from temporary to permanent. The closing of the veneer plant in McAdam is permanent, affecting roughly 250 or 300 jobs directly through that plant. That number rises to well over 300 when the supply spin-offs from the forest industry are added. This closure was caused by the fact that the government would not recognize under any circumstances the importance of the housing industry. There was no viable market for veneer produced in that town. Therefore, the economy, regulated and slowed down by design through the co-operation of the NDP and Liberal philosophies, has put those 300 people out of work.

Mr. Kristiansen: Ronald Reagan.

Mr. McCain: When you cannot find some subject to throw a rock at at home, you pitch it on an international trajectory. I have not mentioned Ronald Reagan. Nor is it his fault that we are in the position we are. We must look to home.

Mr. Kristiansen: It is the same play.

Mr. McCain: We are interested in what happens in the European community, in South America and in North America as well. All economic effects of the world economy impact themselves on our country and every other country in the world, but we should do for ourselves what we can. There are many things we can do.

We do not need a budget in Canada which requires us to pass a borrowing act which will add to the burden of the taxpayer next year and indefinitely. It is a non-productive piece of paper which enables the government to operate but does not produce anything.

Mr. Kristiansen: Where are you getting the \$6.6 billion?

Mr. McCain: You will probably have to borrow it abroad now because the Canadian people have been stripped by your policies.

Mr. Deputy Speaker: With all due respect, I am sure the hon. member knows that he should address his remarks to the Chair.

Mr. Oberle: Borrow it from the international union. They have lots of money.

Mr. Deputy Speaker: Order, please. The hon. member for Carleton-Charlotte has the floor.

Mr. McCain: We must come back to reality. We have to determine how that co-operation between Crown corporations and private enterprise can survive. It cannot survive through taxation and regulation to such an extent as to make the operation neither profitable nor desirable.

• (1610)

These have been the constraints placed upon us. We can go further. There is a forging plant which had great promise, not only of production at the level which was initially undertaken, but a promise of major expansion. As the farming industry, construction in the railroad industry and construction in the heavy machinery industry declined, there was no longer a market for that production. That plant closed, taking with it another 250 to 300 jobs, something which would not have happened had there been an element of incentive in the budgets of this government or an element of encouragement or expression of interest in small business in Canada. But no, they are being taxed harder.

When we get down to the smaller business structure, I get more calls from small business in a month than I received in total in the first nine years I was in the House of Commons. Those calls range all the way from tearjerkers, such as the father who has been in business for quite some time, pleading