

perks and pensions at a time when they are asked to pay more and more in taxes.

My constituents want fiscal and social reforms and more direct control over politicians and they want them sooner than later. As their member of Parliament I plan to listen to them and more importantly be held accountable to them during the time I am here, not just at election time.

We have changed the faces of over 200 members in this House but if we only change the faces and not the system we will have accomplished nothing.

Superficial or cosmetic attempts to correct the injustices in fiscal and political accountability will no longer be tolerated by voters of this great country.

Time is of the essence in this Parliament. The time has come to satisfy the majority interests in this country and not just that of the special interest groups and elite Canadians. Today I will be analysing the government's legislative program from the perspective of fiscal responsibility and tax reform.

As the national debt continues to increase, we know it threatens the future economic health of our nation.

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Continued deficit spending will force future generations of Canadians, our children and grandchildren, to accept responsibility for this debt. It is a handicap that will be reflected in our ability to compete globally and to grow and prosper domestically. The average Canadian taxpayer cannot be asked to pay more in taxes in any form.

In the speech from the throne there is no mention of deficit or debt or how the GST will be replaced. This is a concern. The Prime Minister has stated that the current system of taxation does not work.

The need for tax reform is obvious. First, it is too complicated. Most cannot fill out their own forms. They need to hire professional assistance. Second, it is inequitable. The progressive system with its many tax loopholes favours the rich. Third, there is no real effective mechanism to prevent open ended spending on ineffective and unnecessary programs. Fourth, our high rates of taxation and the GST have contributed greatly to the underground economy of \$60 billion to \$80 billion which is not taxed. We must introduce measures to eliminate the need for taxpayers to avoid paying taxes. As witnessed yesterday by the Auditor General's report there is over \$900 million in GST unremitted. Fifth, it is unfair to finance current programs at the expense of future generations who have no vote in the political process.

### *The Address*

Our children and grandchildren may never forgive us if we do not acknowledge that it is their money that we are spending and committing.

As members know, our chartered banks are reluctant to lend money these days because of the economic uncertainty. Why not give some direction and leadership and commit this 35th Parliament to solutions which send the right signals to the investment community, the lenders and the taxpayers? Increased taxation and a reliance on infrastructure spending alone will not significantly reduce the deficit or encourage an economic recovery.

The federal government could demonstrate fiscal responsibility and restraint however by considering the following alternative to the taxation system which would help us solve some of our problems. It is essential to broaden the tax base in order to lower the average rate of taxation with a new system that treats all individuals and corporations equally. This will surely appeal to the common sense of all Canadians.

I would propose a simple, flat tax on income or, as my leader likes to call it, a "proportional tax" with a generous, fully indexed exemption for lower income wage earners.

Mr. Speaker, you may have already heard of this idea under the name of the single tax as it was called by the hon. member for Broadview—Greenwood. His book, entitled simply *The Single Tax*, gives a lucid and compelling exposition of how this approach could be applied to Canada. Regrettably the proposal has found no favour in his own party whose leaders unfortunately are in love with the complex and manipulative character of the old system. I challenge and encourage them to reconsider.

In conclusion, we should commit ourselves to balancing the budget, target funding to the truly needy and limit expenditures to \$153 billion in the 1994-95 fiscal year. These changes would have tremendous advantages. First, they would stimulate higher tax revenue for the government. Second, they would remove the incentives for the underground economy. Third, they would stimulate more economic growth and create jobs which after all is the number one priority of the Prime Minister's red book.

I would like to close by changing somewhat the slogan of the late Senator Stan Waters from "Keep on marching" to "Let us start marching".

**Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):** Mr. Speaker, the hon. member just talked about having constituents from all walks of life and how changing just the faces will not work if we just change the faces and not the intent of the government.

The hon. member is well aware, because he looks this way, of the very different faces that are on the government side, whether it is my colleague or others. I think that members should be aware that changing the faces or the colours of the faces has