

*Government Orders*

some 235 per cent. How are we doing with respect to other countries?

Canadian government revenues as a percentage of gross domestic product have increased from 24 per cent in 1950 to almost 43 per cent in 1990. Also six years ago the tax burden in Canada was approximately 20 per cent higher than that of the United States. By 1992 it had risen to 25 per cent and was projected to increase to 30 per cent by 1997. My recent reading of statistics indicates that we are at that point today. It is not just young people who are feeling the tax burden; it is all Canadians.

The homebuyers plan that allows those saving for homes to withdraw from their RRSPs to make down payments is and was a good idea. It not only puts the dream of home ownership within the grasp of more people. It provides economic spinoffs all the way down the line.

A poll released in September 1993 by the Canadian Real Estate Association confirmed that the homebuyers plan was a big success. The Angus Reid poll was conducted in five major Canadian cities. First of all it found that four out of five buyers who used the plan said it was an important factor in their decision. It was especially important for 86 per cent of first time buyers.

Second, nearly half or 49 per cent said it would have been unlikely they would have been able to buy their homes without the plan.

Third, the plan helped a significant number of home buyers surveyed: 22 per cent of all first time home buyers and 17 per cent of buyers generally.

Fourth, repaying their RRSPs is a high priority. Eighty-one per cent of respondents said it was important to repay. Fully 88 per cent said they would repay at least at the rate required by the plan. Only 4 per cent said they would not repay and would declare their withdrawals as income.

Fifth, home ownership was seen by 84 per cent of those surveyed as being at least somewhat important to retirement planning. Fifty-four per cent said it was very important. Owning a home was rated by far the most important source of income for retirement.

Sixth, the Department of Finance has already reported that the numbers have been very impressive with nearly 200,000 participants to the end of July 1993. These are indeed impressive numbers. As we well know the number of housing starts is a reliable indicator of the overall health of the economy.

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The housing industry directly employs, to name a few, general contractors, carpenters, electricians, plumbers, drywallers, painters, landscapers, building product suppliers, real estate agents and lawyers. We are encouraged by such measures as the homebuyers plan and the results it has had. I am sure the limited

extension of that program will be of benefit to many other Canadians.

In more general terms it is our hope the new government makes meaningful, effective reforms of the Income Tax Act, as I have already mentioned, with an aim to simplifying the process and certainly making it less complicated and fairer.

We in the Reform Party support a taxation policy that has as its principle the objective of raising funds to pay directly for government programs. We support a balanced budget concept. If we look at the history of the act it was originally intended to collect taxes to ideally pay for the services provided by government. Somewhere along the line we have lost the original intent of the tax system and have allowed it to become a tool to influence the behaviour of people. As well we have used it as a social reform instrument rather than a means by which to collect funds to pay for services. That is inappropriate and has moved us away from a rational responsible budget process.

I say in a general sense now, and certainly some of my colleagues will talk about it in detail as the weeks proceed. We should be working toward a more simple, visible, proportional system of taxation: the flat tax that many people talk about or the single tax. We believe it could be fair, more applicable, more easily administered and more easily understood by the people who have to take responsibility for sending revenue to government each year.

As we sit here today to assent to the amendments before us that were proposed by the last government, I cannot help but be a little cautious in my optimism. All of us in the House should not need reminding of the resounding message sent to the last government on October 25. We must be responsible in our deliberations and make sure we are responding to the needs of Canadians, not to our needs as either a government, an opposition party or individual MPs. We cannot allow ourselves to slip into those ways even in the slightest.

I call upon government members to assure us they will give reform of the Income Tax Act the priority it deserves. In the hearings of the finance committee on a variety of proposals to change the GST, to fix the GST or on other options, one point made by a major number of presenters was that we needed to look at all taxing instruments of government and come up with a plan that is fair, more co-ordinated and more responsive to the needs of Canadians. At the present time they feel they are not co-ordinated. Often because of that some people in our economic system are taxed to a greater extent than others.

If the government makes a commitment to make the reforming of the Income Tax Act a high priority, it shows us as the opposition party that it is making good on its promise of a new way of doing business. It also sends a strong message to the provinces that they should follow the lead of the federal government. Most important, it shows Canadians that there is hope for a new way of government. We cannot let fear of media or any