

*Government Orders*

nearly \$400 billion. That is what a coherent policy has achieved, nearly a doubling of the debt.

Now, we hear talk about compound interest and about a lot of problems which the government has not been able to deal with because of this inherited problem. That was not the language we were hearing when this government spoke about its hopes for the country in 1984. But even had it encountered a situation that it could not possibly have foreseen, how can we justify what has gone on last year and this year in the light of what was said in the fall of 1988?

In the fall of 1988, the total deficit was approximately \$28 billion. The deficit this year will be \$28 billion. So what has happened? In 1988, the government told us that it had a plan, that it was providing good management, that we were on the right track and the economy was booming. It said it was addressing the problems of the country, yet in the year 1987-88 the actual figure for the deficit was \$28.1 billion. For 1990-91, according to the Minister of Finance's figures, the deficit will be \$28.5 billion. We are heading in the wrong direction.

The Department of Finance is asking Canadians to bite the bullet with this particular proposal to deal with the budget restrictions, while at the same time, it is saying that things will be better down the road. This is the same Minister of Finance and the same government who, last year during the budget, told us that interest rates over the year 1989-90 would be around 10 per cent. This year, the same minister tells us in his budget that for the year 1990-91, our average interest rate should be about 11.1 per cent. Unfortunately for the Minister of Finance, yesterday the Governor of the Bank of Canada said he cannot see any easing in interest rates at all.

Most analysts who looked at the budget when it was delivered in February said that the projections of the minister were completely off base, yet all of the conclusions in that budget are largely based on that particular projection of 11.1 per cent, and further that the interest rates would drop next year. Now, the Governor of the Bank of Canada is saying something quite different from that, which is something that we will have to pursue with the Minister of Finance at some other time in this place.

Although we are talking about an act to amend certain statutes to enable restraint of government expenditures, let us talk about some government revenues. For example, let us look at some tax increases that have occurred over this period of time. Since we are talking about restraint today, it might be interesting to see whether the government has been able to restrain itself in terms of tax increases. There have been 32 tax increases in the time since this government has come to office.

• (1230)

It has eliminated the registered home ownership savings plan. It has changed marital exemptions. It has eliminated the low-income federal tax reduction. I am sure you are aware of the temporary 5 per cent and 10 per cent surtaxes, Mr. Speaker. It has deindexed tax brackets, family allowance and tax credits. There is a permanent general 3 per cent surtax. There is the clawback of the family allowance and old age security being paid to families and senior citizens of this country. The general surtax has increased to 5 per cent from 3 per cent in 1989, added on to the one I mentioned earlier. The full 5 per cent began on January 1, 1990, but of course there are no increases in taxes this year. That tax was discussed last year but just came into effect January 1, 1990.

It has raised the federal sales tax. While we have been talking about restraint in money available to take care of low-income Canadians, sick Canadians and young Canadians seeking post-secondary education, the government raised the federal sales tax that it wants to replace now to 10 per cent from 9 per cent, to 11 per cent from 10 per cent, to 12 per cent from 11 per cent. It finally wrapped it up with 13.5 per cent last year.

We have had taxes on candies and snack foods. There has been a 10 per cent tax levied on long distance telephone calls and cable service. There is now tax on paint and wallpaper, and toys. It increased the taxes on alcohol and tobacco so many times I will not bore hon. members with the details. The tax on gasoline has been increased seven or eight times.

We have a situation in which the government has talked about restraining the ability of Canadians to receive services that not only they became accustomed to but which they believe they deserve and have a right to. The government has shown again and again in the past five or six years that it has no real understanding of what is taking place in the country. For example, how are