

*Borrowing Authority*

want to hear another promise of fairer taxation during the next election campaign.

● (1630)

I suggest it would be in the interests of the Government, which is currently so low in the polls, to bring forward real tax reform well in advance of the next election if it hopes even to form a minority government after that election.

There are other areas where fairness might have been advanced. The framework and the timetable for implementing a national system for child care might have been proposed. Long-term solutions to the crisis in Canadian agriculture might have been suggested as well. However, while there has been a lot of talk, none of these areas has seen any action. Borrowing billions of dollars for more of the same is sadly inadequate.

I have outlined some of the glaring deficiencies in the Budget on the one hand and addressed very briefly the Government's intention to borrow some \$24 billion on the other. It is time that the Government came clean with the Canadian people and that it brought forward meaningful tax reform. That is what the Prime Minister (Mr. Mulroney) was forced to promise in the last election campaign during that great national debate on television in the summer of 1984. Over two and a half years later we are still waiting for even a White Paper or Green Paper on tax reform.

The tax system is at the very heart of a fair and equitable society. Historians will look back and judge the Government on how fairly it treated Canadians. One of the criteria on which they will base their judgment will be how fair the tax system was.

We all know that in the past our tax system, as in the United States, has always been used and indeed, one might cynically suggest, written as an instrument for the few to avoid paying taxes rather than a broad simple approach in which everyone pays his or her fair share in personal and corporate tax.

I want to refer to corporate taxation. There is no question that unless corporations pay more in income tax in this country individuals will have to pay more and more. It is most regrettable that the balance is so much in favour of the corporations and that individual taxpayers in Canada are having to pay such an inordinate amount of money from their hard-earned income.

Finally, I want to talk about the plight of our farmers. I sincerely hope that part of the money from the \$24.3 billion that the Government intends to borrow in the fiscal year will go to a program that is not simply words but represents action to assist not only tobacco farmers but all farmers in this country so they may get their finances in order and make a decent living. Unless there is a decision that is based on the political will to preserve the family farm in this country, it will be lost. We will be at the mercy of offshore prices and will pay the same for bread, milk, cheese and other commodities as do

Norway and Sweden which must import such products. We must ensure that we can export our surplus products so that the farmers can make a decent income.

**Mr. Deputy Speaker:** Questions or comments? Resuming debate.

[*Translation*]

**Mr. Alfonso Gagliano (Saint-Léonard—Anjou):** Mr. Speaker, this afternoon the debate centres on a Bill authorizing the Government to borrow in order to meet its financial commitments, and if we look at the Budget brought down last month, I am sure a private company would have trouble getting a loan on the basis of the accounting methods used by the Minister of Finance (Mr. Wilson).

The Minister reduced the projected deficit by \$1.2 billion without increasing revenue or reducing spending. He used an accounting trick which he referred to as "accelerated remittance of source deductions". This is just another example of Conservative sleight-of-hand.

Since the federal election in September 1984, Canadians have become resigned to unacceptable tax increases. Everything is taxed again and again and again. This year, the Conservative Minister of Finance brought down a Budget that is not worthy of the name. However, even in this document he still managed to raise taxes. He raised the tax on gas by one cent a litre, which means that since the Conservatives came to power, excise tax on gas has increased by a total of 18 cents per gallon, which reminds me of the 18-cent tax per gallon—

**Mr. Hudon:** Less than the increases you brought in.

**Mr. Gagliano:**—which the Minister of Finance in the Clark Government announced in his 1979 Budget, a proposal that was rejected by this House. Canadians voted this decision down in a general election in 1980, by electing a Liberal Government, and in 1984, the Conservatives returned to power. They failed to learn from their 1980 experience, because now they are bringing in the same 18-cent tax again, Mr. Speaker.

The Conservative Government, and especially the Prime Minister (Mr. Mulroney) and the Minister of Finance, say that these taxes are necessary to reduce the deficit.

Barely a year ago, in February 1986, the Minister of Finance, with a masterful stroke of the pen, cut spending by \$500 million so that the deficit forecast for 1986-87 would be less than \$30 billion. In other words, he projected a deficit of \$29.5 billion, but now at the end of this fiscal year, it looks more like a deficit of \$32 billion, a difference of \$2.5 billion.

This year, in the so-called Budget he brought down on February 18, 1987, he projected a deficit of less than \$30 billion. He managed to get the deficit down to \$29.3 billion by using accounting tricks like the accelerated remittance of source deductions, which will raise \$1.2 billion by taking money out of the operating capital of our businesses, especially certain small businesses.