

*Government Orders*

First, we said that a consumption tax ought to be fair. We are not the only people who say that. The Minister of Finance said it back in 1984. He said that the first principle of a tax is that it ought to be fair. We stand by that. In government we will stand by that. The tax must be fair.

Second, the tax must be equitable. The Minister of Finance said that in 1984.

Third, the tax ought not to be a tax grab. The Minister of Finance said that in 1984 although he is now perpetrating a tax grab on the Canadians.

Fourth, the minister said and we say that the tax ought to be visible. When people buy something, they ought to know what portion of the cost is for the goods and what portion is for the tax.

These are the four principles that we intend to apply to a federal tax to replace the flawed manufacturers' sales tax. These are just principles, but they are important principles even though they do not say very clearly what kind of tax to implement.

What we are doing now in opposition is not unlike what the Tories did when they were in opposition. One tries various ideas, but one really does not know until one is in government and sees the books whether what one is proposing is completely plausible. Subject to finding out just how bad a situation this crowd leaves us, one of the many good suggestions that we have been promoting with a lot of support is the single tax.

My hon. friend from Broadview—Greenwood has done a lot of work on this. I tell the hon. gentleman from Trois—Rivières that we are getting a lot of support for that tax right from his own riding and throughout the province of Quebec. Indeed, the support for that tax has probably been most enthusiastic from the province of Quebec in terms of the mail that the hon. member for Broadview—Greenwood is getting.

The hon. members opposite shout that that tax is regressive. I think I heard the Minister of State for Finance say that. I want to tell him that that is not what his good friend and my fellow Newfoundlander, Michael Walker who heads up the very conservative think tank at the Fraser Institute in Vancouver, says. He is very supportive of the tax. He says it would be a considerable improvement and light years ahead of the government's proposed goods and services tax.

Michael Walker is one of many hundreds of informed, prominent Canadians who come forward to support this single tax. If the government wants alternatives we could offer all kinds of credible alternatives to what the government is proposing in this goods and services tax.

Let us not forget that what we are debating this afternoon is Bill C-65, an act to provide some borrowing authority for the government so it can rush out and borrow another \$25.5 billion to keep afloat for another year. I take the view that borrowing itself is not a sin as long as one borrows within his or her capacity to repay and also, if it is for a reasonable purpose.

These are basically the two yardsticks that prudent individuals apply to themselves when they go out to borrow. They borrow having in mind their ability to repay the indebtedness, and they borrow for a good purpose. In individual terms, it is often a house, a car or any justifiable expenditure. If those two criteria are applied to personal borrowing or government borrowing, there follow a number of questions as to the government's ability to repay or how that ability could be improved. I touched briefly on that point when speaking before Question Period, earlier today. I indicated that the government has within its power changing the interest rate policy of this country.

• (1530)

I happen to think what is going on now is unconscionable. It is unconscionable in terms of what it is doing to the deficit, a matter that is of tremendous concern to people opposite—although one would never know it when one sees what they are doing to the deficit by allowing interest rates to continue very high. It is unconscionable when one realizes that we are fully 5 or 5.5 percentage points above American interest rates. So, the argument of attracting foreign capital does not really apply here. We have already put ourselves in a position that is more than competitive in terms of competing with American loan institutions to attract capital.

It is absolutely unconscionable in what it is doing to family budgets across the country. People who are locked into house mortgages have absolutely no control. They have no say whatsoever when asked to pay that extra \$50 to \$100 a month over and above what they should be paying. The government has allowed the interest rate to become unconscionably high. People who have consumer loans for cars, for home improvements, for university education, and made those commitments of indebtedness in good faith at a time when interest rates were