

*Statements by Ministers*

Somebody who clips coupons, who holds shares, properties, who has works of art, condominiums in Florida and makes capital gains on them should surely pay as much taxation as a man or woman who works eight or 10 hours a day. He or she may work eight or 10 hours a day, week in and week out, year in and year out, in order to earn the amount of money that is made in a property flip, money which would be tax free according to the Minister of Finance. One must ask, if capital gains can be earned that easily, perhaps they should be taxed more highly rather than at a lower rate than wages and salaries are taxed.

• (1750)

We have argued that the lifetime exemption on capital gains was wrong. It should not have been brought in. It should only have been allowed for small businesses and farms. We accepted that, but we do not accept it in other areas. Unfortunately, the Minister of Finance did not hear us. The Government did not hear us either.

Canadians say that it is wrong to give special treatment to capital gains, but the Minister of Finance says that it is right. It certainly is right-wing. It suits his friends in the banks, it suits wealthy Canadians, but it does not suit average Canadians.

We said that other measures that favour wealthy Canadians should be blocked, measures like the top-ups on RRSPs and the ability to deduct interest payments against other income when investing. Canadians understand that it is wrong to have those kinds of loopholes in the tax system. The Minister of Finance does not understand that.

We said that the child tax credit should be substantially increased by some 80 per cent. The Minister of Finance heard us but acted in a very limited way. Canadians know what is fair to families. The Minister of Finance does not.

We said that there should be no sales tax on food. I guess I should comment on that because back on June 18, I said very specifically that if the Minister of Finance refused to listen to average Canadians on that issue, he would have the fight of his life in the 1988 or 1989 election campaign. It has taken him six months, but last week we finally heard from the Minister of Finance. He should not have left Canadians with any uncertainty on that question. I welcome the fact that the Minister of Finance has finally seen the light, but I ask how it is that this man of the people could have been so deaf to what Canadians from Bonaville to Vancouver Island, from Tuktoyaktuk to Point Pelee, were saying which is that a tax on groceries was absolutely wrong. From the very beginning, from June 18, the Minister of Finance should have acknowledged that.

New Democrats have said that we believe it is right that there should be a minimum tax to ensure that wealthy Canadian individuals do make a reasonable contribution to the society from which they benefit. Canada is one of the finest countries in the world. Every Canadian benefits from that, even if he or she does not directly receive government services.

Every Canadian benefits from medicare and from the kind of healthy, decent, caring, sharing society that still exists in this country. If that is right, we feel that it is just as right that corporations should pay their fair share as well.

It is wrong that every year, 60,000 Canadian companies do not pay tax. If the Americans can agree that there should be a minimum tax on corporations, why the devil should we be lagging behind? We say that there should be a minimum tax on corporations. Canadians agree with that because it is part of a fair tax system. It is only the Minister of Finance who fails to understand that.

*[Translation]*

Mr. Speaker, the New Democratic Party has been giving some very serious thought to the remote areas in this country, our mining companies and flow-through shares, and to the problems created by the fact that according to the Minister of Finance, flow-through shares and earned depletion allowances have been abolished. Very little was done to cope with these problems by the amendments announced today by the Minister. We said we would need targeted tax measures that would benefit small resource companies, to ensure continued exploration in regions like Abitibi, Schefferville and other remote areas that depend on this country's resources, and that the tax measures must also benefit these areas as such. Unfortunately, the Minister of Finance only said he would consider the recommendation. I regret to say that once again, the Minister of Finance has refused to listen to the mining industry, the people in the regions concerned and the recommendations of the New Democratic Party.

*[English]*

We called for a tax system that was more accountable. We said that the cost of tax expenditures which amounts to more than the annual deficit of Canada every year should be reported every year to Parliament and should be voted upon every year by Parliament. That was ignored as well.

We said that there should be a tax system that was simpler and easier for Canadians to understand. That was ignored as well. It is very interesting just how much of what average Canadians are looking for in the tax system was in fact ignored by the Minister of Finance.

In conclusion, I want to say that the responsibility is not just that of the Minister of Finance. Sometimes there is a tendency to say that the Minister is right if one is a Conservative or that the Minister is wrong if one is an average Canadian or is speaking from this side of the House. It is not just the Minister of Finance who is responsible for this.

When the Minister announces his Ways and Means motion for a tax system that goes into force on January 1, 1988, he is speaking on behalf of the Government, on behalf of the Prime Minister on behalf of 38 or 40 cabinet Ministers, and on behalf of 200-odd Conservative Members of Parliament. That is Conservative government policy. They will say it is Progressive Conservative policy, I say it is regressive Conservative policy.