

Oral Questions

Through the Challenge '89 program, 302 jobs will be created in my riding, thanks to pay subsidies amounting to \$406,314 granted by the federal Government.

I know how much students are counting on those summer jobs and I am particularly proud to contribute to the creation of jobs for the students of Drummondville through this program.

I wish good luck to all the youths of my riding in their quest for a job. I urge them again to apply without delay to the Canada Employment Centre for Students of Drummond.

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

IMPACT ON MIDDLE-INCOME
CANADIANS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday the Minister of Finance could not explain why he violated the principle of universality by attacking old age pensions. Today I want to ask him questions on the disastrous impact of his Budget on the average Canadian.

Can the Minister explain why a two-income family with two children living at the poverty level has seen its taxes rise by 176 per cent, according to his own figures, since he became Minister of Finance? Can he explain why the taxes of a similar family making \$100,000 a year have increased by only 11 per cent? Can he explain why taxes paid by families living at the poverty level are growing 16 times faster than those paid by families earning \$100,000? Does he think this is fair?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have tried to set out very clearly the impact of the tax changes. We acknowledge that there have been tax increases in this Budget. However, I think if the Hon. Leader of the Opposition reflects on what we have done with the large corporations tax, the high income surtax, the number of loopholes that have been changed in the tax system both for corporations as well as for individuals, he will agree that there has been a very substantial

increase in those people with high incomes or corporations that have a better ability to pay the increased tax load. That is the direction we are going. That is clearly the burden of the Budget, and clearly the burden of the changes that we brought in over the past four years.

Mr. Turner (Vancouver Quadra): The questions I have been putting to the Minister over the last two weeks are drawn from his own Budget Papers, all 800 pages of them.

FAIRNESS OF PROPOSED SALES TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have another question about fairness and the implications of the new proposed sales tax upon provincial Governments and the people who live in the provinces. How are the poorest provinces going to cope with the addition of this 9 per cent federal sales tax? These provinces are already being hit with a cut to transfer payments and already have the highest provincial sales taxes in the country.

I put my question to the Prime Minister, rather than the Minister of Finance, because yesterday the Prime Minister issued a warning to provincial Premiers that if they did not play ball on his new sales tax they must, to use the Prime Minister's words: "Accept the consequences". What does the Prime Minister believe he is going to accomplish in this shallow attempt at intimidation? Why does he not listen to the provincial Premiers on this issue of the sales tax instead of attacking them? Where is this new renewed federalism he is talking about? Where is this renewed sense of national harmony?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the renewed federalism to which the Right Hon. Leader refers comes from the fact that the Minister of Finance has been meeting with his provincial counterparts with regard to the national sales tax for almost two years. That is an indication of the tremendous change from when the Right Hon. Leader and his Party were in office. There is a difference.

In response to a question I simply indicated that we had no problems at all with provincial Governments or provincial Premiers themselves commenting on areas of federal jurisdiction. This is an area of federal jurisdiction. I indicated that I thought that the Premier—