

earning \$15,000 have to pay \$255 more in taxes today than they paid in 1984? One earner couples with two children earning \$30,000 pay \$630 more, and those earning \$50,000 pay \$575 more. This is what we are talking about when we say that the Government is insensitive to the needs of the poor and modest income families.

Mr. Reimer: Mr. Speaker, I thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for his remarks. In order for me to respond to his figures he will have to go over them with me to ensure that we are both talking the same language. I respect the fact that he has done his work and come up with these figures, but I would like to go over them with him to ensure that we agree on them. Until we do that, I believe I should reserve comment on them.

I think the Member was allowing his ideological convictions to get ahead of him. He wanted to attack Conservatives and he said that they are always insensitive. I think the legislation which is before us today proves the reverse. It proves that while bringing in fiscal responsibility to address the problems left to us by the Government of which he was a member, the Conservatives have remembered those who are in greatest need. We have done this through this legislation by giving this money to these people when they need it most and without any penalty or interest. It also provides for an increased child tax credit and a refundable sales tax credit. I believe we have more than compensated for the measures which we brought in to restore fiscal responsibility to ensure that these people will not suffer.

Mr. Gauthier: The Member wonders what the source of my figures is. I would remind him of the November 1984 Economic Statement and the 1985 Budget and the February 1986 Budget. I can list 14 items, if he so wishes. They include a 3 per cent surtax in 1986, a refundable sales tax credit, and up to a 1 per cent increase in sales tax rates. That alone costs Canadians \$815 million. I do not believe we should shy away from taxes on alcohol and tobacco, of course. However, there is modified indexing, a 5 per cent and 10 per cent surtax, and the elimination of the 1973 federal tax reduction.

● (1600)

There is the modification of child benefits and the deindexing of the family allowance and deindexing of the old age pensions. There is the 1 per cent increase in sales tax rates in 1984 and a 1 per cent increase in sales tax rates in May, 1985. The Hon. Member knows these very well. I did not invent them, they are his Government's Budgets which came in with a heavy tax load on Canadians.

He is trying to tell me that they have had an effect on the deficit. I would refer him to the anticipated deficit today. It will be about the same as when his Government took over. The Government has not changed a thing except to add an immense amount in taxes on Canadians. You have not affected the deficit because it has not moved.

Income Tax Act

I will sit down with my colleague at the end of the year and show him that the deficit when his Party took over and the deficit today is just about the same, except that Canadians have to pay a hell of a lot more in taxes than they did in those days.

Mr. Reimer: Mr. Speaker, the Hon. Member is raising at least three different questions. He referred to different tax measures in the Budget. There is the federal sales tax of 3 per cent in one Budget and 1 per cent in the other Budget. However, we took into consideration the group we are talking about today, those who make less than \$15,000 annually, by bringing in the refundable sales tax credit. We brought in those tax measures because of the terrible debt while at the same time implementing the sales tax credit for those people who would be in need.

Second, the Hon. Member mentioned the modified indexation. I said that it is true that we took this step, but it should be coupled with the child tax credit and the increases of \$70, \$35 and \$35 for a total of \$140 which more than makes up the loss.

The Hon. Member's third point was that all of our actions to date have not really affected the deficit. I do not understand his reason for making that statement because we have begun to see some impact upon the deficit as a result of the last two Budgets.

It has nothing to do with what the Hon. Member's Party did prior to that. One need only imagine what the graph would show if we had taken no action and left their programs in place. If the Hon. Member were to take into consideration our reductions and what the deficit would be if his Party were still in power, he would see that it would be a reduction of more than \$10 billion. That is what he should do to get the answer.

Mr. Deputy Speaker: Resuming debate.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, as usual, I have been listening with great interest to the various speakers. However, I would like to take a few moments to, first of all, praise the excellent work done previously in this House by the former Minister of National Health and Welfare who initiated a similar plan, although I do admit the present Government has improved on it. In any case, the concept of providing a tax credit for our neediest families was, as the House will recall, introduced by the former Minister of National Health and Welfare, Miss Monique Bégin. I think it is only appropriate that Members who were sitting at the time and who had the pleasure of working with Miss Bégin should have an opportunity to praise the truly exceptional work done by that Minister of National Health and Welfare when she introduced her Bill in the House to help the neediest people in this country. The House will recall that at the time, the child tax credit was \$343 per child for families whose annual income did not exceed \$26,330. So what I think is rather extraordinary, and I think my hon. friend from Ottawa—Vanier (Mr.