

Oral Questions

[Translation]

TAX REFORM

QUERY CONCERNING JUSTICE IN POLICY OF REDUCING TAXES ONLY FOR THE VERY RICH

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I should like to direct a question to the Minister of Finance concerning the impact of his tax reform and of all the other tax changes imposed by the Conservative Government since its election.

Mr. Speaker, our examination of the impact of these changes reveals that 98 per cent of Canadian families will be paying more sales taxes and income taxes in 1988 than was the case on a similar income in 1984, and that the only group of people who will be paying less are those with an annual income in excess of \$100,000.

I am asking the Minister where is justice in a Conservative tax policy which reduces taxes only for the very rich and which raises them for 98 per cent of the people?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what is fair about Conservative tax policy is what was brought in through the White Paper on tax reform on Thursday evening. Eight out of ten Canadians will be paying less tax. Eight hundred and fifty thousand Canadians will be paying no more tax after tax reform. Nine out of ten Canadians over the age of 65 will be paying less tax.

There are other elements of tax reform which I could repeat to the Hon. Member to underscore that point. I expect he will be reading the documents and finding out exactly what is happening with regard to tax reform. I am sure he will agree with my position.

EFFECT OF PROPOSALS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have read the documents. I have also considered the Minister's tax reform proposals in light of the \$1,300 of tax increases which he has imposed on the average Canadian family since 1984. He is now giving \$300 back and asking people to feel grateful when he is keeping \$1,000 of the increases which are already in place.

Would the Minister explain the double standard? Ninety-eight per cent of Canadian families earning a given income will be paying more in 1988 than they were paying in 1984. The only families that will be better off will be wealthy Canadians earning over \$100,000. What kind of justice is that?

• (1450)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, families under age 65 will find that the threshold level at which they begin paying taxes will be higher after tax reform than it was prior to our taking office in 1984. The same is true for senior citizens. The threshold at which they start paying

tax will also be higher under tax reform than it was in 1984. These are two elements of tax reform that I think the Hon. Member has missed.

[Translation]

INQUIRY WHY RICH WILL RECEIVE MORE ADVANTAGE THAN POOR

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is also directed to the Minister of Finance and concerns tax reform.

On the weekend, many experts, journalists and parliamentarians did some arithmetic to find out whether the reform proposed by the Minister was fair and equitable. Mr. Speaker, I would like to refer to the analysis made by Marjorie Nichols in today's Ottawa Citizen, and ask the Minister to explain why his tax reform, which was supposed to be fair and equitable, gives Canadian families earning an income in excess of \$100,000 a year a tax saving of \$1,520, which is nearly \$30 per week, while families earning \$15,000 or less will have a tax saving of only \$99. Why \$1,520 for the rich and only \$99 for the poor?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member checks with the tax reform papers he will see that those earning \$55,000 or more will be paying more tax as a share of our total revenues after tax reform than is the case before tax reform. Those who earn less than \$27,500 will be paying less tax as a percentage of our total revenues after tax reform. We have increased the progressivity of the tax system.

[Translation]

FOOD TAX—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Minister is saying that the figures published by Ms. Nichols are wrong. Well, I can inform the Minister that I did some figuring of my own, and while I did not come up with exactly the same results, the overall effect was the same.

If the Minister doesn't want to answer any questions about income tax, I would like to ask him a question about sales tax.

Mr. Speaker, when we look at the figures given by the Minister on page 47 of his White Paper, his *Economic and Fiscal Outlook*, we see that sales tax has provided the federal Government with a 94 per cent increase, in other words, the resulting revenues have increased by 94 per cent under this Government.

I want to ask the Minister: After a 94 per cent increase in sales tax revenues over five years, does it make sense for the Government to further increase those revenues by adding to the tax burden on consumers, and especially by adding a tax on food, on the bread and butter of Canadians?