

Excise Tax Act

Mr. Vincent: The Hon. Member speaks about the reduction of the tax on gasoline. This was not mentioned either.

An Hon. Member: He does not talk about the \$140 in the pockets of the taxpayer. The companies which are saving money with their trucks have not lowered—

Mr. Vincent: Mr. Speaker, when we speak about reducing the deficit, it is on two levels. On one hand, we increase certain taxes in areas where it is reasonable to do so and where the taxpayers can accept it, and on the other hand, we reduce Government expenditures. There have been major reductions in Government expenditures, as you know, Mr. Speaker. There have been cut-backs certain programs where the previous Government used to spend shamefully for patronage projects in various constituencies. There have been cut-backs in these programs, Mr. Speaker.

An Hon. Member: Judo clubs and churches.

Mr. Vincent: This helps to reduce the deficit and it is another reason why Canadian businessmen have pride and confidence in this Government, and are willing to invest.

Almost 600,000 jobs have been created in this country over the last two years. They were not created by the federal Government as a Government, as an employer—we cannot afford that because they left us with too large a deficit—but by Canadian businessmen who had confidence in this Conservative Government. They invested money, they created jobs, and because of their actions we now have interest rates below 10 per cent and 600,000 new jobs in this country. Mr. Speaker, those figures need no explanations. The Opposition may bicker, this is all they can do, but the facts are there and they speak for themselves. It is my view that the February budget has been well accepted across the land. I had an opportunity to travel across Québec, and in Québec it has met with marvelous acceptance. People are happy that the country is being managed as they themselves manage their own businesses.

Saturday night, I was in Trois-Rivières for the Economic Corporation's gala, and many business people were in attendance. Six hundred persons were there. There were trophy awards, what they call the *Radissons* in Trois-Rivières. Let me say by the way, Mr. Speaker, that Radisson was a Conservative, as you know. The *Radisson* trophies were awarded and I heard only positive comments on the current administration.

People in Québec have understood the deficit increase this year: \$2.5 billion, it is true, as compared to our own forecast. But they know this is the second time in 25 years that a federal Government has said: Our expenditures will come up to such an amount and, by the year-end, the actual figure is the same one. We did not have to apologize at year-end for having overspent by \$1 billion. Or a few billion dollars. No, Mr. Speaker. And business people respect that, because what they want is a Government that is good at managing, that stays within budgeted expenditures.

Of course, in this country, we cannot know beforehand what problem we will have with grain in Western Canada, what problem we will have with oil on the international scene, or what other problems we may have in Québec or in the Maritime Provinces. I believe Canadians are aware of that. But they are also aware and proud to see that this Conservative Government and their Prime Minister are acting in a responsible manner, that we know where the money we spend is going. The money we spend is not used for partisan purposes. In ridings that were exclusively Liberal—you may check with our Conservative Members—before 1984 they did not have the same budgets. The budgets were different for Liberal ridings and Opposition ridings. And surely my colleague from the New Democratic Party will agree with me on that.

Well, Mr. Speaker, that is what we did. We shut the valve. We put an end to that. Ridings throughout the country are dealt with on an equal footing and it is essential for their Member to work in the House of Commons as well as close to the Ministers.

With reference to deficit reduction, Mr. Speaker, expenditures of some departments or programs could have been cut further. In the first place, they would have been the first to blame the Government and rightly so. I think that in the February 1986 budget we had to seek additional revenues and make the cuts we did. We could have chosen another solution which would not have been an increase in revenues and we could have made further cuts. However, Mr. Speaker, some remote ridings such as that of my colleague would definitely have been penalized. I think that whether it was in the riding of Abitibi—Témiscamingue, Trois-Rivières or Lac-Saint-Jean, in the Gaspé peninsula or even in your own riding, Mr. Speaker, which is to a certain extent considered as being regional, it would have been unacceptable. It is sure that large urban centres would not have suffered from the consequences, but the regions would have borne the cost. And, Mr. Speaker, I was the first to object to that. On the other hand, I think that now Canadians from all across the country have accepted a certain increase in federal sales taxes.

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Mr. Speaker, let us not forget that when we talk about federal sales tax, we have had a Canadian first on fiscal matters: the federal sales tax credit. It never occurred to the Party which was in power before us to implement such a move.

I do not want anybody to tell me that the increase in federal sales tax will be at the expense of the have-nots, those in the lower income brackets. All families whose income is under \$15,000 a year will be entitled to a tax credit, and we know that it is more attractive than a \$50 deduction for an adult and a \$25 deduction for a child. A family of four earning less than \$15,000 will get a \$150 tax credit. Mr. Speaker, that means getting money from those families with average or higher incomes who can afford to pay this additional tax, and that is also caring for those with lower incomes.