

*Oral Questions*

back to the National Energy Program or is he saying we should—well, he is shaking his head. He does not know which way he stands on that.

**Some Hon. Members:** Oh, oh!

**Mr. Wilson (Etobicoke Centre):** Let me tell you, Mr. Speaker, just what we have done to deal with the problems of people who are in low income brackets. We have introduced employment initiatives to help those people get a job, to get the training. There has been \$100 million devoted to that. We have a program for older workers to help them get back into the labour force. We have a refundable sales tax credit for those in low income brackets. We have the increase in the child tax credit and the acceleration of the payment of the child tax credit. These are all things which have been done to help those people and there is—

**Mr. Speaker:** Order. I think we might observe that there are going to be some days of debate on the Budget and there is probably a more appropriate place to exchange all of these statistics.

[Translation]

## TRUE SIZE OF DEFICIT

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, my question is directed to the Minister of Finance and concerns the sleight of hand we witnessed in yesterday's Budget. Yesterday, the Minister of Finance said that next year the deficit would be \$29.3 billion.

If the Minister had not resorted to the subterfuge of making businesses increase their paperwork and submit their source deductions twice a month, the real deficit for 1987-88 would be \$30.5 billion.

My question is as follows: Why is the Minister trying to cover up the real situation, and when is he going to admit that the actual deficit is still above \$30 billion?

[English]

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the record which was set out in the Budget stands on its own, and I think it is a record which is well appreciated by people who are students of this and who compare it to the record which the Leader of the Opposition presided over when he saw a \$481 million surplus turn into a \$4 billion deficit in three and a half years. Spending rose by 23 per cent per annum. The national debt grew by 50 per cent. The debt service cost grew by 85 per cent. These are matters that can be labelled on the man who sits beside the Hon. Member. The inflation rate doubled during that period of time. Unemployment increased by 164,000—

• (1430)

**Some Hon. Members:** Order, order!

**Mr. Wilson (Etobicoke Centre):** —and the bank rate doubled.

**Some Hon. Members:** Hear, hear!

## PERSONAL AND CORPORATE TAXES

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, the Liberal Party was defeated and a new Government was elected in 1984—

**Some Hon. Members:** Hear, hear!

**Mr. Garneau:** —with promises. The Government came to power promising to solve the problems of the deficit. After three years of economic recovery the deficit is at the same level that it was in the last complete year of the Liberal Government.

Why are the Minister of Finance and his Government trying deliberately to hide from the public the fact that individual Canadians will be paying more than \$7.6 billion extra in taxes for 1987-88 while at the same time corporations will be paying \$30 million less? Does the Minister think that is fair?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think I addressed that very clearly last night. We have recognized that there is a problem in the corporate tax system. That is one of the reasons for tax reform. We have acted regularly, starting in October of 1984, when we stopped the scientific research tax credit abuses and when we changed the rules on the use of limited partnerships. We stopped carve-outs, as well as the O&Y use of the tax system, something which the Right Hon. Leader of the Opposition brought in when he was the Minister of Finance. We have stopped all of these things.

We have also said that it is important to develop a general tax avoidance rule. These measures are designed to address the problem of the tax system. We are acting. We are not just talking about problems; we are acting on them.

**Some Hon. Members:** Hear, hear!

## CORPORATE TAX REFORM

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my question is for the Minister of Finance. Yesterday afternoon the Minister presented a Budget which increased taxes on the average family once again, making the cumulative increase for individuals in Canada some \$1,500 since the Government came to power. The Minister then went on television last night and said two things. First, he said that there are many corporations out there that are profitable but which are not paying taxes. Second, he said that it is too soon for corporate tax reform. My question is simply this. Why is it too soon for corporate tax reform but not too soon for the Government to soak the average family when it comes to taxes?

**Some Hon. Members:** Hear, hear!

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I could repeat the answer to the question I just answered. We are acting on this. We have acted in a number of ways over the