

Statements by Ministers

● (2050)

At the other end, the budget statement of the Minister of Finance which was just delivered in the House clearly outlines in a Ways and Means motion that we had the opportunity to see during the lock-up this afternoon specific tax changes, some of which are effective at midnight Wednesday, last night. Tax changes affecting farm property, passenger vehicles, limited partnerships, research and development, dividends received by financial institutions, life insurance reserves, multinational insurers, these and other tax changes will take place immediately. Other tax changes to take place at a later date were also announced by the Minister of Finance in the Budget Speech and the documentation he tabled with his speech.

How can the Prime Minister and the Minister of Finance pretend that the Minister's statement is only a discussion paper? Tonight the Minister of Finance has delivered a Budget. It is a Budget that has been available to a select 31 individuals at least a full day before its official release. If the Minister of Finance does not understand his responsibilities in these circumstances, the Prime Minister must assume his responsibility and remove the Minister of Finance from the important public office he holds.

Some Hon. Members: Hear, hear!

Mr. Garneau: Mr. Speaker, I submit that it is not a matter for public debate. The Minister's duty is clear. It is a question of restoring public confidence in one of the most sensitive and important ministries of any Government. As a former Minister of Finance, I am well aware of the propriety expected of such an office-holder. I say with regret that I know, and the Minister of Finance knows in his heart, that he has committed an unforgivable breach of his duty and he must go, and go now.

I believe that all Hon. Members know that I am not one to make such statements lightly or without good cause. It is important that the House debate and debate fully the tax changes announced in the Government's Budget this evening. However, such an important debate cannot properly occur in the shadow of the loss of confidence in the Minister of Finance of Canada. I say to the Minister of Finance, if this evening the Minister has still not clearly understood the action expected of him now, that I hope for his sake that he will have submitted the proper letter to the Prime Minister by tomorrow morning.

Some Hon. Members: Hear, hear!

Mr. Garneau: Mr. Speaker, the Minister may laugh but he knows in his heart that he committed a mistake, a very important one, and he does not deserve to serve as Minister of Finance in this House.

[*Translation*]

Mr. Speaker, what we had this evening was not a White Paper but a Budget. A Budget that contains tax increases, including some that will be effective as of midnight yesterday

evening, not even tonight. There are 17 or 18 tax measures, in fact there are more in this evening's statement than there were in the Budget Speech last February, a Budget we said was not a Budget but a Minister's Statement. And today the reverse is true. Today, we had a real Budget Speech. Mr. Speaker, I think that with this Budget Speech we had a few statements on tax reform.

An Hon. Member: Name them!

Mr. Garneau: Mr. Speaker, I am being asked to name them. I may refer the Hon. Member to the Motion of Ways and Means, where he will find they are all listed with the effective date as midnight last night.

Mr. Speaker, in the tax reform which the Minister of Finance (Mr. Wilson) has unveiled this evening, except for the measures which will be included in a real Budget, everything else is related to a question of credibility. The Minister is telling us that the sales tax which will be imposed eventually will be fairer, more equitable for everybody. The Minister of Finance claims that the changes he is making in the personal exemptions system through tax credits will benefit the Canadian taxpayer. I will get back to this question.

But first I will tell him that his credibility with respect to what can happen in the future is not very strong.

[*English*]

In fact, this tax reform is related to the trust that one can have in the Minister of Finance. What has the Minister of Finance said in the past before the election of 1984 about tax increases? On March 6, 1984, a few months before the election, he said, as reported at page 1827 of *Hansard*:

We would cut spending. We would not raise taxes. Tax levels in Canada are already too high.

Mr. Turner (Vancouver Quadra): He said that?

Mr. Garneau: He said that on March 6, 1984.

[*Translation*]

"We will cut spending, we will not raise taxes. Tax levels in Canada are already too high", he said.

[*English*]

On August 8, 1984, a month before the election, the now Minister of Finance said to CITY-TV in Toronto: "We have no intention of raising income taxes to Canadians".

Mr. Turner (Vancouver Quadra): Who said that?

Mr. Garneau: The Minister of Finance.

Mr. Turner (Vancouver Quadra): He said that?

Mr. Garneau: On August 8, 1984. That was before the election.

Let us see what he said after the election. In November of 1984 he said: "Our immediate goal is to reduce the deficit through expenditures and not through major tax increases".