

*Statements by Ministers*

Canadians who have decided that they cannot support this particular Government.

I would like to deal for a minute with the specific proposals made by the Minister. I guess it is useful that the Minister accepted to a modest degree certain proposals made to improve the benefits for families. However this means, in his case, that families with three or more children will get an extra \$65 in tax credit. There will be a certain amount of child tax credit added, to be paid for whenever one buys a bottle of scotch or 24 bottles of beer. Apart from that there will be nothing at all, according to the committee's recommendations in respect of dependent children between the ages of 18 to 21. That is to be deplored.

It is interesting that in terms of our recommendations for a substantial increase in benefits for families with children, because of the important responsibility they carry in society, there is nothing at all.

The Minister backed off on his proposals for accrual accounting for farmers. They will welcome that, but he has left farmers across the country in a position of grave uncertainty, because they do not know what will happen next. Farmers are in limbo. In fact, the proposals put out by the Minister for discussion look very much like modified accrual accounting for farmers, except that it is called cash accounting. In other words, the Minister has not really backed away. He has just changed the cosmetics of his proposal to make it sound a little different. I suspect that farmers may treat that with the same contempt that they treated the Minister's proposals in the White Paper.

I regret the fact that the Minister, who claims to be listening to average farmers and average Canadians, did not listen when farmers across the country said that there must be peer review in deciding who is a legitimate farmer. The Minister rejected that out of hand. Farmers like the proposals made by the committee. In respect of the loss provisions, the Minister has kicked them out of the court as well and has said that they will not apply. Why? It is because they happened to reject the ability of certain of his wealthy friends in Mississauga and other such places to deduct farm losses when they are not genuinely full-time farmers. I exempt the Hon. Member for Mississauga North (Mr. Horner), who I understand messes around with cattle from time to time in a fairly legitimate way.

The point I am making is that the Minister has drawn back from his proposals for farm accounting because they were so unacceptable. He has not indicated clearly what will be there, therefore farmers must wait yet another year before finding out what the situation will be.

The Minister has moved on auto expenses. I suppose that is welcome. It is hard to analyse exactly what he has done. We will see what that means in a day or two when the dust has cleared. Apart from that, the Minister has done as little as possible to implement the recommendations made by the committee. In fact, the other recommendations he accepted seem to be the ones which amounted not to benefiting average

Canadians but to taking income away from average Canadians, for example, those who will pay the tax on family allowances.

*[Translation]*

Mr. Speaker, in the end, the problem with the Minister is not simply that he rejected all the recommendations made by the Standing Committee on Finance and Economic Affairs, there is much more than that. The problem is the fact that the Minister is completely ignoring the recommendations that are being made by the New Democratic Party and by a great number of Canadians from all walks of life, by groups representing ordinary Canadians that have appeared before the Standing Committee on Finance and Economic Affairs during our hearings in the last five months.

Mr. Speaker, our Party and the Committee have recommended that we increase the corporate income tax and especially the tax on all financial institutions in order to have a better balance between individuals on the one hand and corporations on the other. The Minister of Finance and the Government have rejected these recommendations.

Mr. Speaker, even the Hon. Member for York-Scarborough (Mr. McCrossan), who is a Member of our Committee on Finance and Economic Affairs, in a letter that he wrote to the Minister of Finance in November, has stated clearly that if the Government does not take a clear stand in support of an adequate tax on financial institutions, in order to avoid the situation in which banks and life insurance companies were paying almost no tax at all on their profits, then in effect, Mr. Speaker, the Government would be guilty of advantaging the rich at the expense of ordinary Canadians.

● (1740)

*[English]*

I will cite the comment from the Hon. Member for York—Scarborough (Mr. McCrossan) who said in his letter to the Minister of Finance (Mr. Wilson):

To the extent that "handsome" taxes which are seen to be fair are not levied in 1988 against all profitable financial intermediaries, it is almost certain that tax reform will be seen as unfair and that the allegation of "favouring the rich" will form an important part of the next election campaign.

What the Member from York—Scarborough said is absolutely dead on. He understands that situation. I think he made a great contribution to the committee in helping to design the average minimum margin tax and I, with him, deplore the fact that the Minister of Finance would not listen to the committee and, therefore, is guilty of a tax system which favours the rich and ignores the needs of average Canadians.

What has the Minister done, Mr. Speaker? He has brought back a capital tax and said, "Look what I am doing". In fact, in his language he tried to indicate that this was a brand new tax that will soak the banks. It is not true. It is a weaker capital tax than the tax on capital which is in force right now and which was due to expire at the end of 1987. This is the Minister's dirty little secret. There is a capital tax on the banks