

The Budget—Hon. B. McDougall

a minimum tax on the rich. It is also the first time that a federal government tries to close some tax loopholes.

Mr. Speaker, I think that the Liberal party and the New Democratic Party are the only two groups in Canada which are still interested in this debate. What really matters and what interests Canadians is the Government's will to achieve national reconciliation and encourage the economic recovery. That is what Canadians are interested in.

I have no question to direct to the Leader of the New Democratic Party, for as far as I am concerned, this debate has come to a close and I think everything is fine, Mr. Speaker.

[English]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am pleased to rise today to discuss the Budget presented by my colleague, the Minister of Finance (Mr. Wilson). I certainly cannot let the allegations of the Hon. Member for Oshawa (Mr. Broadbent) go unchallenged.

He commenced his remarks by speaking of the need for a civilized Budget. The word "civilized" also means responsibility. This Government has been responsible.

The Hon. Member also stated in the House that every Canadian knows that when you borrow money you have to pay for it. Canadians and the Government recognize that the debt in this country has been rising at 20 per cent to 25 per cent per year for the last decade and that we must pay for that debt. We have always told the Canadian taxpayers that everyone would have to help clear this burden of debt. We have asked Canadians for their help as we accept our responsibility in closing this debt.

The Hon. Member suggests that our Budget builds up a burden on the backs of ordinary Canadians. We did not place the burden on the backs of ordinary Canadians, we are trying to remove that burden which was placed there by the former Government. We have talked openly with Canadians about how we should do that and we have asked Canadians to pay some of the share of that. However, we have done it in a way that is fair and balanced and in a way that by the end of this decade will mean that Canada is a better place to live for ordinary Canadians and their children.

● (1550)

Members of the NDP make much of fairness. My colleague, the Minister of Finance and the Government have contributed more to fairness than any Government in my lifetime. Let me talk about some of the things we have done.

First, we have closed a lot of tax loopholes. My colleague, the Minister of Finance, has mentioned that many times in the House, but I believe that Members on the other side are not listening and are failing to applaud us for measures that we have introduced which they obviously think are good ideas. We are closing those loopholes, eliminating the special scientific and research tax credit, closing the loophole for limited partnerships, closing the loophole for income splitting in high-

income families, imposing the minimum tax and cutting the dividend tax credit and the carve-outs. We have taken all those measures consistently over the last year and a half through two Budgets and an economic statement. All those measures are fairness measures. They are measures that Canadians applaud and measures that help ordinary Canadians. There is no question about that.

Let us go on to some of the specific things we have done in this Budget in the way of fairness. Yes, we did raise the federal sales tax but the Minister has taken the initiative in the Budget for a review of that tax in what we have always agreed is a less than perfect system. In the meantime, we have introduced an offset for low-income Canadians which is a new measure in this tax field, an indication that we want to help the people who are most in need. If Canadians are fair, and I believe they are, that is another measure that we think they will applaud.

In the last Budget my hon. colleague introduced the child tax credit, something else that helps low-income Canadians, and this year he has made that tax credit for children and families refundable earlier in the year so that Canadians do not have to wait until income tax time to claim that credit. That means that Canadians do not have to turn to discounters in the way they did before. In addition, we have tightened up the rules on discounters to the benefit of ordinary Canadians.

Let me just tell the House what some of these things mean to the ordinary Canadians to whom the Hon. Member was referring. A woman in Vancouver, talking about the prepayment of the child tax credit, said that for her it means she can buy her child some Christmas presents instead of just a snowsuit or a pair of boots. She said she could buy her some toys or some books. The Executive Director of the Canadian Council on Social Development said about the refundable sales tax credit that it is an important initiative. The President of the Union of Senior Citizens of Ontario said that from the point of view of a senior he could not be anything but pleased. I know a lot of ordinary Canadians and those are the kinds of comments on this Budget that I am hearing. Those are the kinds of comments that are encouraging us in our view that balance and fairness is enormously important and that we have met that objective in our Budget.

Let us deal for a moment with the Hon. Member's suggestion that taxes have increased \$1,300 per year for an ordinary family. I am somewhat bemused by this calculation that members of the NDP have been waving around in the House today. In order to be paying that increase in taxes one would have to be making \$50,000 to \$70,000 per year. I would be very interested in knowing if that is the view of Members of the NDP of the average income in Canada. They have also ignored a number of things in making that calculation. They have ignored the fact that the surtax in 1986 is only on for half a year. They have over-estimated the sales tax increase. They have ignored the April starting date of the last sales tax increase. They have ignored the broadening of the sales tax base. They have assumed that the \$200 increase in oil costs results totally and exclusively from the Budget. The effect of