

The Budget—Mr. Fontaine

the old age security and the guaranteed income supplement.

Does the Hon. Member not believe that those seniors, while they respect the need for fiscal responsibility, also understand very clearly how important it is to be able to eat well and be properly sheltered in their declining years? The Hon. Member refers to the new proposed sales tax and talks about the unfairness of it. I think we all accept that there are inequities in the current manufacturers' tax. But is it fair that the kids and moms in this country will be paying tax on clothes for children, on music lessons and on family counselling? Is that fair, Mr. Speaker?

[*Translation*]

Mr. Fontaine: Mr. Speaker, the first thing I would like to say to the Hon. Member is that according to our previous economic message, as you well know, barely 10 per cent of Canadians 65 years old and over pay income tax. In fact, every day your Leader has been asking us to make them pay more taxes. These 10 per cent have worked in the course of their lives and accumulated a certain amount of wealth. They are paying income tax today, and your Leader wants us to change their tax rate and make them pay more. That is the answer to the first part of the question.

Second, you said that the elderly need a pension. We are aware of that. Senior citizens need a pension, but Canadians who are still in the labour force are entirely aware of the fact that we can go on giving them this pension and give our seniors the security they need, and that is very important. Senior citizens want to be sure they will receive their pension cheque every month. They know that Canadians who are in the labour force must have jobs to help pay for those cheques. And that is the kind of economic climate we have given them. We have created one million and a half new jobs since 1984. These people contribute to the public Treasury and ensure that senior citizens receive their pension cheques regularly.

About the goods and services tax, I said that it applied to all goods. I gave a list of exemptions, and I said that it replaces the old system and does not create new revenue. It does not penalize our young people because there are people living comfortably who will still receive a cheque four times a year to compensate for the sales tax.

They will receive a cheque that says it is for the sales tax they have paid during the last three months. People who are just making ends meet and are living barely above the poverty level won't have to worry, because they will get a refund in advance.

Mr. Marchi: Having heard what my friend the Hon. Member for Lévis (Mr. Fontaine) had to say, Mr. Speaker, I find it very hard to keep cool because a great many things he said are not consistent with the facts.

• (1720)

[*English*]

He tries to portray this Government as a political Robin Hood, a Government that robs from the rich through this claw-back and gives to the poor.

First, the Hon. Member makes the mistake of treating family benefits and pensions as some kind of hand-out, which they are not. We in this Party see those services as being a social contract with Canadian citizens, giving meaning and purpose to what we call Canadian citizenship. Second, he did not talk about the thresholds going down next year. He did not talk about medicare being put in a similar situation one day.

More important and more misleading is the tax situation facing Canadians. Canadians want to know why the Government is imposing such an unfair tax burden which will apply differently depending on who one is, where one lives, and how much one makes. Canadians do not mind paying their way for future generations. They do not mind putting their shoulders to the wheel, digging down, contributing and pushing Canada forward. However, when Canada moves forward, Canadians do not want people to be left behind.

We must examine not only this Budget because we cannot look at it in isolation, but the previous four Budgets. There have been five Budgets handed down by this Government. We have been asking in the House of Commons since the most recent Budget was introduced what the cumulative impact of these Budgets is on an average family in my riding. My riding is a hard working, middle-class type of riding, and I would imagine it is very similar to that of the Hon. Member for Lévis (Mr. Fontaine). People in my riding are saying that after four or five Budgets, it is becoming more difficult to stay in the working middle-class sector of Canadian society.