

The Budget—Mr. Cassidy

● (1600)

Mr. Hockin: Mr. Speaker, I have a supplementary question. I think the Hon. Member is agreeing with two of my three premises. He agreed that 100,000 jobs were not lost, as was predicted by his Party in 1985, in that he acknowledged that 675,000 jobs were created. In his third last sentence he agreed with the notion of lowering corporate rates and broadening the base, which is very close to what the Minister of Finance is saying.

Perhaps he would like to answer the question concerning what happens when neighbouring jurisdictions have lower marginal corporate rates than us. Is this something which concerns him?

Mr. Cassidy: Mr. Speaker, I thank the Hon. Minister for his question. I have no problems in terms of talking about corporate tax reform which at the same time plugs up loopholes, brings in more revenues, broadens the base, and brings in lower marginal rates. All those things are possible. That is in fact what has occurred in the United States.

What I fear is the record of the Government. Since 1984 it actually allowed corporate tax revenues to decrease by some \$2 billion. It then turned around and complained about the fact that it could not get the deficit down to the level which it believed would be comfortable. The Government must turn to its own friends in the corporate sector and point out to them that one of the reasons the deficit is not down to the targets it set is precisely because of the favours which are being given to the corporate sector.

In respect of tax comparisons between the two countries, the Hon. Minister knows that over many years Canada has had nominal rates which from time to time have been higher than those in the United States. One must look at the whole package of depreciation and at other treatments of investment and other matters affecting the net rates of corporations, not just take the marginal rate. I, for one, refuse to be stampeded by suggestions that we must have exactly the same rates as those in the United States.

On the personal side, for example, there are enormous expenditures on social security and on private medicare plans which average Americans have to pay, which are essentially not matched in this country, and which far more than account for a difference in marginal rates.

● (1610)

[Translation]

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, it is with a bit of sadness that I rise today in the debate on the Budget of the Minister of Finance (Mr. Wilson). This is his third Budget. There is a simple way to sum up the three Budgets of this Conservative Government and of this Minister: taxes, taxes and more taxes; tax increases, tax increases and more tax increases; de-indexation, de-indexation and more de-indexation! The impact of the three Budgets of

the Conservative Government clearly shows the position of that Party. The position of that Party is to favour the rich, make the poor even poorer, and attack the middle class to make sure that it too will become poorer.

Let us consider the consequences of these three Budgets on elderly Canadians. For openers, the Government has yet to take action to eliminate its own discrimination concerning older people who are single, separated or divorced, people aged 60 to 64. As you may recall, we expressed our agreement when the Minister of Finance announced that widows and widowers would be eligible for the spouse's allowance, but we wanted the Government to make it possible for single, separated or divorced people who are in the same financial situation to benefit as well from the spouse's allowance, a program of the old age security pension.

At the time, Mr. Speaker, the Minister of Finance had told us that, according to the estimates, roughly 85,000 individuals might benefit as widows and widowers, and that it would cost \$325 million. In fact, 50,000 people are involved and the cost would be \$200 million. In other words, there is a \$125 million surplus in the departmental estimates and it has not been used. If we take into account the amounts saved in welfare payments by the Government, we can say that there was a surplus of about \$150 million in the allocation for senior citizens. The public expected the Conservative Government and the Minister of Finance, who simply represents high finance, to announce yesterday to Canadian senior citizens that all those who are single, separated or divorced would be eligible to the spouses allowance. Instead, Mr. Speaker, this Government and this Minister of Finance decided to maintain the capital gains tax exemption which benefits the wealthiest and which cost \$1.2 billion in the last two years, 1985 and 1986.

Mr. Speaker, I am concerned about another group besides our senior citizens. Older workers were expecting something, especially the 35,000 early retirees who had been eligible to unemployment insurance in 1985 and who had received benefits before the Conservative Government decided, the night before Christmas, as a Christmas and New Year's gift, that, beginning January 5, 1986, all amounts received as pension income with employer and employee participation would be taken into account and considered income, which would automatically result in reductions of unemployment insurance benefits. Mr. Speaker, 35,000 people in Canada, including 13,000 in Quebec, are waiting to be reimbursed for these amounts, which have been estimated at about \$10,000 per person. This money belongs to these people, but the Minister of Finance did not announce anything for them.

As far as pension reform is concerned, we could have expected some kind of indexation for private pension plans, as well as improvements and increases in the benefits received under the Quebec and Canada Pension Plans to ensure that men and women will have adequate pensions to live comfortably after retirement. As concerns women, Mr. Speaker, on July 26, 1984, in Sherbrooke, the Prime Minister (Mr. Mulroney) and the Government made a commitment to find a