

look at those amounts, along with the equalization of sales tax on unleaded and leaded gasoline which amounts to an additional \$30 million. We know that Canadians need to use their cars for transportation. I regret the way they have dug into that pocket!

Let us look at the other sales tax measures which they have put into place. There was a 1 per cent increase in sales tax in 1984 which amounted to \$1 billion. There was a second increase of 1 per cent which amounted to another \$1 billion. Those guys do not even care how many billions they take. They do not even count the zeros. The third increase of 1 per cent in sales tax amounted to another \$1 billion. The extension of sales tax on candies, soft drinks, and pet food amounted to \$400 million in 1985. We cannot even enjoy small pleasures around here. The extension of sales tax on snack foods—they are scrooges—amounted to \$60 million. The increase in air transport tax—and we have settled the Air Canada situation—amounted to \$45 million. The proposed 10 per cent tax on all long distance calls and business telephones and the increase in cable TV tax, which was automatic and with no justification, will amount to \$945 million. The proposed increase on paint, wallpaper, toys, et cetera—they want to kill Christmas too—will amount to \$370 million.

These tax changes do not include any increase which will occur when a new federal sales tax is introduced. I believe the Minister is expected in here in about five minutes with some more such jolly good news which we are all waiting with bated breath to hear!

This is not a simple Bill and it is not as pleasant as it would seem on the surface. I suggest that they ought to re-look at some of their goals.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Riis: On division.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the chair.

Clauses 1 and 2 agreed to.

Title agreed to.

Bill reported.

Mr. Hockin (for the Minister of Finance) moved that the Bill be concurred in.

Motion agreed to.

Mr. Hockin (for the Minister of Finance) moved that the Bill be read a third time.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Statements by Ministers

Some Hon. Members: Agreed.

Mr. Gray (Windsor West): On division.

Motion agreed to, Bill read the third time and passed.

SITTING SUSPENDED

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I rise on a point of order. I believe there was unanimous consent to recess or adjourn the House until 4.30 p.m.

Mr. Deputy Speaker: Very well.

At 4.28 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 4.30 p.m.

ROUTINE PROCEEDINGS

[English]

TAX REFORM 1987

GOVERNMENT RESPONSE—STATEMENT BY MINISTER OF FINANCE

Mr. Speaker: It being 4.30 p.m., pursuant to order made Tuesday, December 15, 1987, the House will now revert to Statements by Ministers. I will recognize the Hon. Minister of Finance (Mr. Finance).

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, six months ago, I proposed comprehensive reforms to ensure that Canada's tax system serves the interests of all Canadians.

I set out clearly for public discussion and consultation the objective of tax reform and a carefully balanced package of specific proposals to achieve those objectives. The response was clear. Canadians want a fair and progressive tax system that imposes little or no burden on those least able to pay; a system that levies similar amounts of tax on individuals in similar economic circumstances.

Canadians want a tax system with a broader base and lower rates; a system that encourages individual initiative and in which all high income individuals and profitable corporations pay their fair share of tax. Canadians want a tax system that supports Canada's ability to compete in world market and to create increased employment opportunities; a system that supports the ability of Canada's regions to grow and prosper. Canadians want a more understandable and reliable tax system that ensures the revenues to finance public programs.

Today, I am presenting measures to implement the far-reaching changes to Canada's income tax system that I proposed in the White Paper in June. The proposals meet those objectives with lower tax rates and a fairer system for all.