

*Income Tax Act and Related Acts*

**Mr. Kilgour:** I believe I am being heckled, Mr. Speaker.

In Manitoba there were less people working in the resource sector, and more people working in the garment industry, in services, insurance, and all of the other sectors which were more stable during times when resource prices were very bad. Please let us put an end to the canard that the NDP policies in Manitoba had anything to do with the diversity in that province.

Perhaps the Hon. Member for Regina West can explain why, when the Blakeney or Douglas government was in office, a community like Lloydminster, which is on the Saskatchewan side and on the Alberta side, looked like a balloon. As the Member knows, most development was on the Alberta side of Lloydminster. Anyone who could live on the Alberta side, and anybody who could not do otherwise would have to live on the Saskatchewan side. The Member is smiling, but I hope he will rise and explain why Lloydminster, Alberta, did well, grew, had good infrastructure, and a growing population, and Lloydminster, Saskatchewan, was like a dwarf beside a giant.

Obviously, a great deal had to do with taxation policies and business climate. Since my time is up, I simply wish to make the point that I agree that each and every tech corporation should pay a proper and fair tax based on the ability to pay. But to let this bunch ever get their hands on the levers of the economy of Canada would do to Canada what they have done to the three western provinces.

**Mr. Deputy Speaker:** The motion moved by Mr. Murphy and seconded by Mr. Benjamin, the Chair finds to be in order.

On debate the Hon. Member for Windsor West (Mr. Gray).

**Hon. Herb Gray (Windsor West):** Mr. Speaker, the more Canadians understand the tax reform legislation of the Government, the more they will realize they have been the victims of a gigantic Conservative scam. The Conservatives are attempting to convince Canadians that they will benefit from this legislation through lower taxes. The facts are quite to the contrary. Starting July 1 of this year Canadians, on the surface, are having less federal taxes withheld from their paycheques. However, what they are getting by way of tax reductions amounts to a small fraction of the billions of dollars that have been taken from middle and lower-income Canadians since the Conservatives took office in September, 1984.

The Minister of Finance (Mr. Wilson) claims that his tax reform will exempt approximately 850,000 lower income persons from paying tax. The Minister omits the fact that his own measures were responsible for taxing an additional one million Canadians. This situation is mainly the result of the partial deindexation of the tax system, and the elimination of the federal tax reduction. Most people who are exempted under this legislation were put on the tax rolls in the first place by the Conservative Government. If we compare the total amount of tax that will be paid by taxpayers in 1988, after tax reform, with that paid in 1984 when the Conservatives took power, we realize that only families with incomes more than

\$117,000 a year will pay less tax in 1988 than in 1984. Those families account for the top 1 per cent of all Canadian families. Some tax reform! The Conservative tax reform is aimed at helping the top 1 per cent of Canadian families, not the millions of middle and lower-income families who were promised relief by the Conservatives but who will get just the opposite.

In *The Windsor Star* on Monday, June 27, 1988, Brian Bannon, the Star's Business Reporter noted:

Three dollars.

That's what "the most significant tax reform in Canadian history" will add to the average Windsor resident's next paycheque.

After July 1, the long-awaited tax cuts promised by Finance Minister Michael Wilson start showing up on payrolls across Canada. But before you celebrate, check your take-home pay.

If you are married with two children under age 19, earn \$35,000 a year in wages and your spouse earns nothing, your weekly paycheque will rise from \$512 to about \$515.

That's better than nothing—an extra \$156 a year—but accountants like Windsor's Christopher Renaud question whether it really lives up to all the rhetoric from Ottawa.

"With all the hoopla", he said, "you would expect more".

Here is the truth about the so-called Tory tax reform for the type of people whom I represent in Windsor, Ontario. One can see why I describe the Tory tax reform legislation we are debating today as nothing more than a gigantic Conservative scam, an attempt to fool millions of middle and lower-income Canadians and to try and convince them that they are actually paying lower taxes because of Conservative initiatives. The facts are quite the opposite.

When one takes into account all the increases in personal income tax, federal sales tax, and excise tax, the reduction of \$156 a year, \$3 a week, for that family with two children under age 19 earning \$35,000, would appear to be wiped out, and that family would still be far behind where it was in 1984 before the Conservatives took office because of all the other increases in taxes.

Let us look at some examples: sales tax was increased from 9 to 10 per cent on October 1, 1984, and another \$1 billion was taken out of the pockets of middle and lower-income Canadians by the Conservative Government; there was an increase from 10 to 11 per cent on January 1, 1986, and another \$1 billion was ripped from the pockets of middle and lower-income Canadians by the Conservative Government.

• (1840)

There was an increase from 11 to 12 per cent in sales taxes on April 1, 1986, another 1 billion ripped from the pockets of middle and lower-income Canadians by the Conservative Government. On July 1, 1985, and on July 1, 1987, there was an extension of the sales tax to candy, soft drinks, health goods, dental instruments, even snack foods, another \$460 million taken from the pockets, not just of middle and lower-income Canadians, but even children who want a little snack on their way home from school.