

*Oral Questions*

## SITUATION OF BANK PRESIDENT

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, my supplementary question to the Prime Minister deals with his alleged concern about fairness in the tax system and his often cited reference to his friend, the \$500,000 a year bank president, about whom he used to talk. Will the Prime Minister candidly admit to the House that the Government, which has imposed a \$500 tax increase on the average family in this Budget, will this year permit his \$500,000 a year friend, the bank president, to get away without paying a cent in taxes? Will he admit that?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, this Budget has introduced a number of measures which are clearly fair to a broad range of Canadians.

**Mr. Broadbent:** Oh?

**Mr. Wilson (Etobicoke Centre):** That individual is going to be paying a major surtax. I am somewhat reluctant to state the amount of the surtax for someone who is earning \$500,000, because it is a very large amount of money. But for the persons making \$200,000, I believe the amount is \$4,700 more—

● (1130)

**Mr. Deans:** If they pay tax.

**Mr. Wilson (Etobicoke Centre):**—that they will be paying in taxes. The Hon. Member asked why we have not been precise about a minimum tax this year. That is because both Saskatchewan and Quebec have introduced two different types of minimum tax and we want to make sure there will be a broad range of harmony across the tax system in Canada, with the same minimum tax and the greatest amount of harmonization between the tax systems of the various provinces.

**Mr. Broadbent:** All I will say to that is that the Government did not care one hoot about harmony across the country when it imposed taxes on ordinary working families right across the board.

## SURTAX INQUIRY

**Hon. Edward Broadbent (Oshawa):** Mr. Speaker, since the Prime Minister has decided to opt out of any defence of his failure to bring in a minimum on the rich, I will go back to the Minister of Finance.

Will the Minister admit to the House that the surtax which he has talked about introducing will not be paid at all by someone who has no tax payable; that all the incentives he has built into his Budget will encourage more people to become part of that very inclusive category of rich people who do not have to pay any tax, and they will not have to pay his surtax at all? Is this the Tory concept of fairness, \$500 in taxes for the average family, and the rich go scot-free again?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, let me remind the Hon. Member that taxation must be introduced in a fair way.

**Some Hon. Members:** Oh, oh!

**Mr. Broadbent:** You don't need to tell me that.

**Mr. Wilson (Etobicoke Centre):** This Budget addresses the question of new taxes in a fair way. We did not do it the way the previous Government did in 1981 when there were 35 retroactive changes in taxes. That has not been done this time because we want to ensure that people who are paying additional taxes will be paying them in a fair way.

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## ENERGY

## ANNOUNCED CLOSURE OF CAPE BRETON HEAVY WATER PLANTS

**Mr. David Dingwall (Cape Breton-East Richmond):** Mr. Speaker, my question is directed to the Minister of Finance. I am glad he used the term "honesty" because he ought to know that his colleague, the Minister of Energy, Mines and Resources, on two specific occasions—

**Mr. Tobin:** And the Prime Minister.

**Mr. Dingwall:**—and the Prime Minister indicated their commitment to the heavy water plants. I want to quote the following words used by the Minister of Energy, Mines and Resources:

My plans to close the two heavy water plants will not proceed before alternate employment can be found for displaced workers.

Will the Minister of Finance explain to this House why he and his officials, and the Prime Minister, have deceived the people of Nova Scotia? Why are they implementing a Schefferville solution to the chronic regional disparities in the country?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think we have been honest and direct with the people of Cape Breton. They know, and the Hon. Member knows, that to spend \$200,000 per job just to keep two heavy water plants operating, when there is no market for their product, is a deception on the people of Cape Breton, and we have addressed that problem.

What we have put in their place, consistent with what the Hon. Minister of Energy, Mines and Resources has said, is the most generous tax package ever made available to any region of the country, an investment tax credit which affects the broadest range of economic activity possible. The result will be that for almost any new investment in Cape Breton there will be no corporate tax paid for the next 10 years.

**Mr. Dingwall:** So much for the Minister's honesty.