

Income Tax Act

• (1520)

[English]

Mr. Garneau: I could refer to what the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) were saying during the last election campaign and immediately following the September 1984 election. For example, as reported in the November 29, 1984 edition of *The Toronto Sun*, the Prime Minister said that he did not favour higher personal income taxes to reduce the swelling federal deficit because Canadians were already overtaxed. That is what the Prime Minister said on November 29, 1984 after the election.

What did he say before the election? He said that Canadians were already overtaxed and that they were paying a pretty hefty bundle for their government services. He said that Canadians felt they were paying enough and that that view was not without support in Government, in private industry and in labour circles.

I will refer to what the Minister of Finance said in August 1984 before the election. As a member of the Opposition he said: "We have no intention of raising income taxes to Canadians. What we have to do is get down Government". After the election, on March 1, 1985 the Minister of Finance said: "I do not want to increase taxes. I think we have a good deal of scope on the expenditure side to deal with the deficit problem. A tax increase, certainly a general tax increase, puts a dampening effect on the economy, and I don't want to see us do that". That is what he said in March, 1985, many months after the Government had been sworn in.

What do we have today? We have Bill C-23 which will place a burden upon the shoulders of many Canadians. Almost all Canadians will be required to pay, particularly those in the middle and low-income classes. Without taking into account the automatic deindexation, this year they will have to pay \$1.7 billion in additional taxes. That is what the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) should have told Canadians. It is the truth. Bill C-23 will add billions in taxes on to the shoulders of Canadian taxpayers.

Let us look at the net result of the last two Tory Budgets. The cumulative effect of those two Budgets has been \$6.5 billion in additional taxes for individuals and corporations in Canada. How do you square that with the statement made by the Prime Minister (Mr. Mulroney) not only before but after the election when he said Canadians are already overtaxed? They were overtaxed then and now they will have to pay \$6.5 billion in additional taxes. We have been told time and again that those taxes were being raised to fight the deficit. You will certainly recall that in the early part of his mandate the most important thing for the Government was to fight the deficit.

[Translation]

Madam Speaker, the Leader of the Conservative Party, the Prime Minister (Mr. Mulroney), was constantly repeating that this Government's objective was to fight the deficit. In an interview with one of the papers, and this goes back to before the election, in March 1984, he said that—

[English]

I would like to quote it in English because it was said in English in March, 1984. The Prime Minister was asked this question:

On your list of priorities where would you put an attack on the deficit?

The answer from the Prime Minister was:

Right on top of the heap.

[Translation]

Madam Speaker, that was where the Prime Minister ranked the deficit: right on top of the heap. When we look at the current situation, however, it is clear that the present Prime Minister and the Minister of Finance (Mr. Wilson) did not tell Canadians the truth, which is as far as I can go without using unparliamentary language, and this applies to the tax increases they were not going to introduce as well as to the deficit. It is clear this Government did not deliver the goods, especially since during the last year the Liberal Government was in power, it was criticized right and left. Mistakes were certainly made, since Canadians decided to change Governments in 1984, I am ready to admit that. But when one considers that on March 31, 1984, our national debt was \$160.8 billion as per the figures published by the Minister of Finance himself, and that according to the forecasts of the present Minister of Finance which were updated in September, it will have gone to \$265 billion, well, for a Government that wanted to tackle the deficit as a first priority—surely, I am ready to concede, Madam Speaker, that for the period from March 21, 1984 to September 4, 1984, this Government cannot be held responsible. Let us adjust that and say that when they were elected on September 4, our national debt was \$176.8 billion, and that by March 31, 1987, if the forecasts made by the Minister of Finance are any indication, it will have risen to \$265 billion, with a \$88 billion increase over two and a half years. No Minister of Finance of any Government of any political stripe has ever achieved the unheard-of performance of adding \$88 billion to the national debt over a period of two years and some months, in spite of the fact that taxes were increased to an unprecedented high.

• (1530)

They have increased taxes by \$6.5 billion over the span of two budgets, imagine that. This Government was committed to it as a priority, as stated not by us but by this Tory Government, this Prime Minister, this Minister of Finance who led the fanfare, with the Tory chorus endlessly repeating the same tune.

Despite their having increased taxes by \$6.5 billion over the span of two Budgets and one financial statement, without mentioning the tax increases that are delivered through press releases. I am only looking at those that are in the Bill and that were announced in the Budget, at nothing else, and they amount to \$6.5 billion, and after two and a half years of that kind of Government, you can see that we will be back to the *status quo*. In other words, we will have just about the same budget deficit as we had for the last full year of Liberal Government.