

The Budget—Hon. E. Broadbent

● (1530)

The bottom line from the Minister of Finance is not that he is challenging our figures of \$1,305, the bottom line is he is saying the Liberals made him do it. I want to say to the Minister of Finance, he had an option. Neither the Liberals nor the Devil made him do it, he had a choice and he should have given the fairness the people of Canada wanted.

The first point the Minister of Finance made about challenging our figures is that he said the petroleum compensation fund charge was one he had to bring in. I have checked and there is no statutory requirement for that at all. There is nothing in the legislation that says that the Minister of Finance had to increase the price of petroleum in line with the legislation he inherited. It was a Government decision, it was a policy decision. Had he wanted additional revenue, and that was not even a requirement, he could have done it by a fairer method than levying a flat tax with an increase. He could have done it out of general revenue. That, at least, would have been fairer. The key point I want to make is that he was not required by law to do it. He did it and it was a Conservative choice.

The second point the Minister made in reply, confirmed in a telephone conversation last night, and I quote: "The UI change was less than what people expected". Would you please note that? That was his first point. The change they made in increasing charges on ordinary Canadians, unemployment insurance costs, was less than people expected. He elaborated on that by saying "based in part on statute". I agree with the Minister in what he says there. About half the unemployment insurance increases since the Conservatives came to power were the result of automatic changes built into the unemployment insurance legislation. That was a small part of it. In addition, they jacked up the rates paid by men and women working all across Canada well beyond what was required.

The third point is the gem, and that concerns the very regressive federal sales tax increase. The first one was enforced when the Conservatives came to power in the fall of 1984. Canadians will recall, and I am sure all the Conservatives in the House will recall very vividly the election campaign when not only the Minister of Finance, then in opposition, but the Prime Minister (Mr. Mulroney), then Leader of the Opposition, said that this tax that Marc Lalonde had announced when he was Minister of Finance, scheduled to come in the fall of 1984, was a regressive tax. It was unfair to ordinary Canadians, and it would be a stab in the back of the economy. It would have a recessionary impact. They said all that before the election. They said it was bad and they campaigned against it. When they came into office, in fact about the first financial decision they made was to zap Canadians with this federal sales tax increase which they had campaigned against.

The Minister of Finance said to me in this note: "The 1 per cent sales tax charge was proposed by Marc Lalonde". Well, isn't that touching? Canadians will be reassured to know that. All that Marc Lalonde has to do is propose something to be done and the Minister of Finance will do it. The Liberals made him do it. He promised the Canadian people in the campaign

he would not do it and after he got the majority he should have kept that promise instead of implementing a regressive Liberal measure.

There is the sum total of the Minister of Finance's reply. The people of Canada should note he has not challenged our figures. He has not said that \$1,305 is wrong. In fact, we left out some taxes of which we have since become aware. The real tax bill is in excess of \$1,305. All the Minister of Finance is trying to do is to pass the buck elsewhere. I say to the Minister what he said on budget night, stealing from Harry Truman, in this case the buck stops on his desk. He is the responsible Minister.

[Translation]

Mr. Speaker, we must also consider the impact of the Budget on poor people, middle-income Canadians and the rich. The 3 per cent surtax applies to one and all, rich or poor. It is an unfair treatment because taxpayers' incomes vary widely and each one should contribute according to his or her ability to pay.

The compensation measures are inadequate. For instance, the sales tax credit refund does not compensate at all for the huge tax increase which low and average income Canadians must pay. In 1987, the tax load of the average family will be heavier still, whereas a rich family—with a \$100,000 income for example—will benefit from a reduction of more than \$300. That is the kind of justice we get from the Government of Brian Mulroney and Michael Wilson. It is the exact opposite of justice.

Mr. Speaker, the Conservatives go even further. According to an article that appeared in the *Montreal Gazette* last Saturday, the Government has prepared a strategy for eliminating the surtax on the income of the average taxpayer in 1988.

Why should average Canadian men and women have to wait until 1988 for a reduction, when the rich can get rid of their surtax in 1987?

The Conservatives are going to wait for an election year to give the average taxpayer a present and butter him up. If the Conservatives can afford to eliminate the surtax on the rich in 1987, why not eliminate the surtax for everyone?

Mr. Speaker, that is Conservative justice: benefits for the rich first, and maybe later for the rest of us. That is what is happening.

Mr. Parry: Right on!

[English]

Mr. Broadbent: The third aspect of the question of fairness that I want to discuss in my comments this afternoon is the division of responsibility for taxes in Canada that exists, or ought to exist, between corporations in our land and individuals. In the New Democratic Party we believe in a strong and viable creative private sector. We want corporations to provide jobs for men and women. We want them to be innovative and expanding in