

Oral Questions

There is a fairer alternative, a fairer tax system that protects the poor and collects more tax from the well-off.

So I want to ask the Prime Minister, will he apologize to the National Council of Welfare and all Canadians for his deceptive use of the Council's pre-Budget submission? Will he explain to Canadians, if he was interested in the Council, why he did not adopt the recommendation of the Council and create a fairer tax system with more taxes being paid by better-off Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Opposition House Leader indeed misleads and distorts today in referring to a response that I gave on Friday. I will ask the Deputy Prime Minister to review *Hansard* quickly, but I think what he will find is that I referred to this document, *Social Spending and the Next Budget*, presented by the National Council of Welfare in which they make a statement. I never said it was a recommendation.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The statement is:

The advantage of the clawback is that it saves money not by tampering with the contentious principle of universality, but rather by increasing the progressivity of social programs. Most defenders of universality believe that benefits should be distributed in a progressive fashion—i.e., the higher your income, the less you should receive, and vice-versa. The clawback does no damage to universality—old age pension and family allowance cheques still would go out to all pensioners and parents, regardless of their income—but it does reduce the net value of benefits to upper-income recipients.

The object of the exercise, as I understood it, was to try to do more for the poor and less well off in Canada. That is exactly what we will do.

• (1420)

Mr. Gray (Windsor West): Mr. Speaker, the Prime Minister has not explained why he did not draw to the attention of the House the words that preceded the quote he read, that the quote he read was specifically stated not to be a recommendation to the Government but rather a guess as to what the Government might do.

[Translation]

It is obvious, Mr. Speaker, why *La Presse* in its April 28 editorial said, "A bad budget, a bad Minister" because we do not have a budget that treats all Canadians the same.

[English]

TAX INCREASES

Hon. Herb Gray (Windsor West): Mr. Speaker, tax increases on individuals through this Budget in the form of personal income taxes, sales taxes and excise taxes have been increased by \$2.6 billion in 1990, and in contrast, corporations face only \$410 million in increased taxes.

How can the Prime Minister, his Minister of Finance and this Government try to say to Canadians that this is a fair Budget for all Canadians when there is such an unequal distribution of the tax burden created by his Budget when it comes to corporations and middle and lower-income Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I refer my hon. friend to page 1070 of *Hansard* on Friday, April 28, 1989, where I am quoted as saying:

Because my friend raised the subject of agencies dealing with the poor, I refer him to a recent statement made by the National Council on Welfare—

I quoted that statement from this particular report.

I did not say that it was the only statement in a complete report, I said it was a statement from the report. What I have said and what I have quoted is completely on all fours with the statement there.

I specifically said that I refer him to recent statements, not a recommendation, not a suggestion that we should follow, but a statement made by them. That is a complete and absolutely fair quotation.

If my friend is dealing with quotes, perhaps he should refer to a statement made by a guest speaker at the Liberal convention on the weekend, where Adam Zimmerman is quoted as saying the Liberals should stop blindly criticizing and carping about the Government, which he said in some cases is still cleaning up the Liberal legacy.

Some Hon. Members: Hear, hear!

STATEMENT BY SENIORS NETWORK OF CANADA

Hon. Herb Gray (Windsor West): Mr. Speaker, the Budget that was announced last week creates a total increase in taxes since 1984, including the increases through this Budget, of 108.3 per cent for a family with one income earner and two children at the poverty line income level of only \$23,639. This is not a Liberal legacy, it is a crime committed by the Conservative Government.