

Oral Questions

[Translation]

DIVISION OF FISCAL BURDEN

Right Hon. John N. Turner (Leader of the Opposition): I have a supplementary, Mr. Speaker, after this frankly incredible answer. A widow, living alone on \$10,000 per year, will have to pay \$160 more, while according to the *Financial Post*, an individual earning \$150,000 a year will pay \$3,500 less in taxes next year than he did in 1984. Is that fair, Mr. Speaker?

Hon. Barbara McDougall (Minister of State (Finance)): The whole Budget is fair, Mr. Speaker.

[English]

In our continuing package, including the economic statement and two Budgets, we have closed more tax loopholes for the rich, tax loopholes which were created by the former Government. People in high-income brackets are the ones who will pay the tax on the dividend tax credit. They will pay the tax because we have done away with income splitting.

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[Translation]

THE BUDGET

CHILD TAX CREDIT—SITUATION OF CERTAIN FAMILIES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the same Minister. Referring to the fairness of the Budget, she bragged about the merits of the child tax credit prepayment. Can the Minister explain the fact that her Government has completely ignored the 538,000 families which get the full child tax credit and will not be eligible for the \$300 prepayment? How is it that her own Government has chosen to ignore them, the majority being single-parent families headed by women?

[English]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am truly amazed by the comments made by members of the Opposition with respect to our Budget. Yesterday they said: "Freeze spending". They said: "Don't raise taxes. Spend more on foreign aid, regional development, and research councils". At the same time the interest payment on their debt is up by \$2 billion. Where would they like us to increase the fairness in the Budget? Do they want us to cut social programs? Is that what they are looking for?

[Translation]

Mr. Malépart: Mr. Speaker, all she had to do was to tax her friends the multinationals.

INQUIRY WHY FAMILY WITH INCOME OF \$16,000 IS PENALIZED

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a supplementary question, Mr. Speaker. I would like to know how the Minister can claim that the Budget is fair, yet a

family of four with an income of \$16,000 will be penalized—being uneligible for the prepayment—and will be forced to deal with tax discounters. How come a family with a \$16,000 income is penalized?

● (1420)

[English]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am truly amazed. I point out to the Hon. Member that last year under this Government disposable income, the amount of money which Canadian families have in their pockets to spend after taxes, went up substantially.

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FINANCE

PROPOSED BUSINESS TRANSFER TAX

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is also directed to the Minister of State for Finance. She will know that, as a result of her Government's policies since assuming office, it has cost the average Canadian family \$1,305 in additional taxes and charges. Today we learn that the Government plans to introduce a value added tax, or a business transfer tax. If the Government plans to introduce one of these two forms of new tax, which will result in a new tax system or a new bureaucracy, will the Minister guarantee the people of Canada that it is not a sneaky way to impose more taxes on an already over-taxed Canadian public?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not know which is worse—hypocrisy or hysteria. In his budget address to the House, the Minister of Finance said that he would be reviewing the basis of the federal sales tax by way of a discussion paper on what I believe he referred to as a business transfer tax. There is nothing hidden about it. He says there will be a paper out there, and we will be listening to everyone who wants to comment on it at the appropriate time.

REQUEST FOR MINISTERIAL GUARANTEE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I asked the Minister whether this new form of taxation would result in additional taxes on top of the \$1,305. Will the Minister guarantee that this will be a revenue neutral tax, that it will be a broadening of the tax system or a new system, but that she will not impose new taxes on top of existing tax bases?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Hon. Member knows that the sales tax system which we have now has presented some difficulties. Lord knows, he has pointed them out often enough. We have said that we will try to improve the system with a discussion paper which will be issued later in the year. I suggest the Hon. Member make his comments on it at that time.