

Oral Questions

● (1115)

ORAL QUESTION PERIOD

[English]

THE BUDGET

IMPACT OF TAX MEASURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Finance. Yesterday's Budget was quite simply an attack on the elderly, the poor, and the middle class. Derived from the Minister's own *Budget Papers*, I would like to state some facts that he viciously hid from Canadians yesterday. By 1990 a family with an income of \$15,000 per year will pay 36 per cent more in taxes. By 1990 a family with an income of \$30,000 will pay 11 per cent more in taxes. But a family with an income of \$100,000 per year will only pay 4 per cent more in taxes by 1990. On top of that, wealthy Canadians with money to invest will receive a lifetime cash bonus of \$125,000. In light of those facts, I would ask the Minister if that is his idea of a fair Budget.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think Canadians understand that with the way the Leader of the Opposition has played with figures this time, and the way he played with figures last time, no one is going to believe the figures that he puts out.

I think one of the things that has characterized the response of a broad range of people to this Budget is that it has been fair.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): Everyone has been asked to share a little bit of the burden in order to get the budget deficit and the accumulating debt problem under control. I think that asking each Canadian to pay a little bit is supported.

The Hon. Member spoke of the elderly. I think that many of the elderly are very worried today about the burden that is being left for their grandchildren. If we do not get on top of that problem there will be a very, very serious situation that will have to be dealt with by future generations.

INVESTMENT TAX EXEMPTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the figures I recited come from page 74 of the Minister's own *Budget Papers*. Next year the average Canadian family will be nailed with a tax increase of somewhere between \$350 and \$500 per year. A wealthy Canadian with money to invest will receive a cash bonanza over a lifetime of \$125,000. The Minister explained yesterday in his budget speech that that was to stimulate Canadian business. Why did he not limit the application of that exemption to investment in small Canadian-owned business, or to Canadian companies listed on the Canadian Stock Exchange? Why did he allow this exemption to apply to investment in Florida real estate, or

European art? My question really boils down to why did the Minister pay as much attention to Miami Beach as he did to Thunder Bay.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, over the years a lot of money has gone to Miami Beach because people did not have the confidence to invest their money in Canada.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): This Budget and other actions that we have taken are creating an atmosphere and environment in Canada that will draw those billions of dollars that have left Canada in the last five years back to Canada to create jobs here, not in Miami Beach.

● (1120)

I would like to make one more point if I may, Mr. Speaker. The Hon. Member is a lawyer. He knows that if we put those rules into the tax system it would result in a tremendously complex tax system. He also knows that people would be able to find ways around it. So, we are not going to put a picket fence on it; we are going to give them the environment so they can put their money into Canada to create jobs.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

[Translation]

IMPLEMENTATION OF DIRECT TAX INCREASE—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to protest against the less obvious aspects of the income tax increases announced by the Minister yesterday afternoon.

As a result of de-indexing, the taxable income of Canadians will rise 3 per cent annually. Family allowance cheques will drop 3 per cent, year after year. Old Age Security pensions will go down 3 per cent. In 1989, Canadians receiving Old Age Security benefits will lose \$30 a month, with the Government taking advantage of this massive tax increase, notwithstanding inflation.

My question is as follows: Did the Minister take this step because he knew that Canadian men and women would be flatly opposed to a direct tax increase as sizeable as these stealthily introduced increases will be?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the position which we have taken is not a sneaky position as the Hon. Member has said. We have been up front. We have stated very clearly exactly what we are going to do.

Some Hon. Members: Hear, hear!