

S. O. 21

In the book the Hon. Member quotes some of the statements made by the Prime Minister and members of the Conservative Party during the election. One of the statements the Minister of Finance (Mr. Wilson) was: "We will reduce spending. We will refrain from increasing taxes which are already too high." Let me repeat that just to be absolutely clear. This is the Minister of Finance who has taken charge, if you will, of the finances of the nation over the last three and a half years. He made this statement on March 6, 1984, here on the floor of the House of Commons: "We will reduce spending. We will refrain from increasing taxes which are already too high."

That is a promise of sorts. If you believe what he said when he was in opposition then one would expect that he would deliver on that promise, that is, to refrain from increasing taxes. What did he do when his Party came to power and he was appointed Minister of Finance? He proceeded almost immediately to increase taxes. Canadians will never forget that very first Budget, that very first attempt at managing the finances of the country. Canadians will never forget the attempt by the Government to deindex senior citizen pensions, notwithstanding the promise made by the Prime Minister of Canada when he was Leader of the Opposition, when in Quebec he said to the senior citizens: "Elect me, Brian Mulroney, and I promise that your pensions are sacred trust". What happened to that sacred promise about sacred trust? In the very first Budget handed down by the Minister of Finance the Government tried but failed to reduce the deficit on the backs of senior citizens.

While the people of Canada might have been hoodwinked during the election campaign, they were not going to put up with that. There were protests across the country. Senior citizen groups from one great coast to the other started to complain, demonstrate, and write letters. Eventually the Government and the Minister of Finance had to back down on that ill-conceived, unfair, inequitable tax measure. What made matters worse was that after saying senior citizen pensions were a sacred trust and they would not increase taxes, they did a complete about face.

That is not the only example of the Minister of Finance breaking a promise. As you know, this legislation we are debating today will implement a number of sales and excise tax increases announced by the Government in the February, 1987 Budget, the June, 1987 Budget, the December, 1987 tax reform proposals, together with the February, 1988 Budget. If one examines not simply the Budgets I have just referred to and the tax reform proposals but also the record of the Government over the last three and a half years on tax increases, the statistics are absolutely staggering.

Let us just examine what this Government has done from 1984 to fiscal year 1988-89. It has increased taxes by \$32.4 billion, a 46 per cent increase. What taxes were increased? The Government not only broke its promise not to raise taxes, it broke its promise to practise equity and fairness in the tax

system. The Government increased personal income taxes by 55 per cent in that period of time while at the same time it increased corporate taxes by only 28 per cent. Individuals were ripped off to the tune of 55 per cent, but corporation taxes were increased by only 28 per cent. Not only did the Government increase personal income taxes, and the income tax system is somewhat regressive or not as progressive as it ought to be anyway, but it increased sales and excise taxes by 77 per cent. Canadians have been asked to pay over the last five years an additional \$10.6 billion in sales and excise taxes.

I note that it is one o'clock and I would appreciate the opportunity to continue my remarks at three o'clock.

The Acting Speaker (Mrs. Champagne): There will be six minutes left for the hon. gentleman to continue his remarks.

It being one o'clock I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[English]

NATIONAL DEFENCE
NUCLEAR POWERED SUBMARINES—OPINION POLL

Hon. André Ouellet (Papineau): Mr. Speaker, I rise today to show Canadians just how irresponsible the Government's defence policy actually is. This very week President Reagan arrives in the Soviet Union for talks with Soviet General Secretary Gorbachev. Also, the American Senate is on the verge of ratifying the INF treaty signed between the super-powers last December.

Meanwhile, back in Ottawa, what is Canada doing? It is proposing the most irresponsible defence initiative in Canadian history, that is, the acquisition of 10 to 12 nuclear powered submarines. Not only does this go against the trend toward peace, but yesterday we discovered how unhappy Canadians truly are at having nuclear powered submarines.

According to an Environics poll conducted between May 3 and May 17, 59 per cent of those questioned oppose the purchase of nuclear powered submarines. The picture is clear. The world does not want proliferation in arms and neither do 59 per cent of Canadians. It is only a Conservative Government locked in the 1950's cold war rhetoric that continues to push this irresponsible initiative.