

*The Budget—Mr. Turner*

alcohol and tobacco, which the Minister has raised four times, and the 12 per cent tax which the Minister has imposed on paint and wallpaper. Under the Government, even fixing up your house has come under his scrutiny and has become more expensive. There are new taxes on air travel. The Government does not confine itself to merely raising taxes on adults, like some schoolyard bully, the Minister has reached into the lunchboxes of schoolchildren right across the country and put a tax on soft drinks, candy and snacks. What a terribly perverted imagination the Minister has.

Just when the widowed grandmother, say in Winnipeg, thought she had saved up an extra bit of money to make a long distance telephone call to her grandchildren in Toronto, the Minister slapped a 10 per cent tax on all long distance telephone calls. My colleague, the Hon. Member for Laval-des-Rapides showed me the numbers in the lock-up. That tax will collect about \$870 million this year and it will be a billion dollar tax within 12 months. To the people who have to stay in touch, those who are vulnerable, those who cannot get out and who are kept in their homes by sickness or age, the telephone is the only way they can keep in touch in a mobile country with children and grandchildren across the country. They are trapped and penalized very heavily by this increase in tax.

*[Translation]*

These taxes are hidden, they are sneaky. You don't really notice them until you get the Bill. They are practically invisible. But the sneakiest tax increase of all was the deindexation of personal income tax.

The Minister keeps quiet about this. He didn't even mention it in his Budget this year. It is a very simple decision that will cost Canadians billions of dollars more annually, but he kept quiet about it. And here again, low and middle income Canadians will carry the heaviest burden, while the wealthy will pocket hundreds of thousands of dollars worth of capital gains.

When I was Minister of Finance, we indexed our tax system to avoid penalizing low and middle income Canadians and to protect them against the impact of inflation on our progressive tax system.

By eliminating this protection against inflation, the Minister, in an underhanded and cowardly fashion, is putting an invisible tax burden of billions and billions of dollars more each year on the people of this country, and Canadians must realize this.

*[English]*

The gap between rich and poor widens in this country. Just take a look at the tax results under the four Budgets presented by the Minister. Canadians are looking for answers. They are asking themselves, why is this disparity so great? Why is the gap widening? Why is the situation getting worse? I want to tell Canadians that they need look no further than the Government sitting opposite. They need look no further than

the Government which has misled the people, deceived low and middle income Canadians with phony election promises.

The Government decided long ago which side of the gap it was on. It was not on the side of the working poor, the single parent, the old age pensioner or the young couple. It was not on the side of the farmer, the fisherman or the unskilled labourer earning about \$5 an hour. No, the Tory message of this Minister of Finance in four successive budgets is this. If you are rich, you are okay; if you are not, you will pay.

This Government has increased taxes faster and higher, \$22.5 billion more in three and a half years, than any Government in Canadian history and that includes the Governments of Canada which had to preside over two world wars in which this country was involved. This Government did all that after solemnly pledging to Canadians that it would do no such thing, that the Government would not raise taxes through the personal commitment given by the Prime Minister to the Toronto Canadian and Empire Clubs in August 1984 just before the election and a commitment given by his now Minister of Finance in the same month. This country is littered with the broken promises of this Government, promises which have been torn up; they are not torn up by me—there is only one document I am interested in tearing up—but by the very Prime Minister and the Ministers who make them.

*[Translation]*

Who can forget the attacks the Government made against old age security and family allowances, after having heard the Prime Minister (Mr. Mulroney) solemnly declare social programs were sacred and untouchable? Who can forget the bankruptcies of Northland Bank and the Canadian Commercial Bank which cost billions of dollars to Canadian taxpayers, after having heard him promise us he would manage the affairs of the nation with competence? Who can forget the billion dollars sunk in the Gulf-Reichmann affair and the \$200 million spent for the takeover of the Bank of British Columbia by the Hongkong Bank? No wonder the public debt is rising so rapidly under the present administration!

Who can forget the promise the Prime Minister made of giving us an honest government, after having seen Ministers resign one after the other because they were involved in all kinds of scandals? The only thing the Government did more often than promise us better conflict of interest guidelines is break its own present code of ethics.

● (1550)

*[English]*

Where was that famous commitment to put an end to patronage appointments? Instead, the Government has been turned into an employment agency for the Tory faithful.

I suppose it will be quite natural that, despite the importance of the subject before Your Honour this afternoon, the media this evening will focus on the new legislation introduced by the Prime Minister on conflict of interest. We will look at it