

Statements by Ministers

Some Hon. Members: Hear, hear!

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, yesterday 30 experts who were signed on by the Minister of Finance (Mr. Wilson), who were prepared to work for free apparently, were given an advance look at the White Paper. These were tax experts, tax lawyers, and accountants who move comfortably in the world of taxation which is much more understood by people in corporations on Bay Street and St. James Street than by ordinary Canadians.

If the Minister of Finance had had the good sense, which he did not, to give 30 farmers, fishermen, working men and women, housewives or pensioners an advance look at his tax reform and ask them for advice in order to find out whether or not he was on the right track with tax reform, they would have told him to take his tax reform back and have another go at it because this is not tax reform to benefit ordinary Canadians.

The fact is that we do need real tax reform in this country. We did not get it tonight in the announcement of the Minister of Finance. I regret the lost opportunity and I want to talk about what Canadians were looking for in the tax reform package, what they failed to get, and what we did get tonight in the Finance Minister's paper.

The answer to the question of whether this was a budget measure is self-evident. I have lost count of the number of specific tax measures which take effect tonight or tomorrow as a consequence of the Ways and Means motion tabled by the Minister of Finance. That issue was dealt with today by you, Mr. Speaker, in the House of Commons and will be dealt with tomorrow in the House of Commons. Tonight we are talking about whether Canadians got the fairness and frankness to which they were entitled in the tax reform measures which were announced.

Canadians have been waiting a long time for tax reform. I guess it was naive to expect real tax reform from a Conservative Government. Our mistake was hoping that somehow, despite the general direction of the Government, some good tax reform would come from the Finance Minister with his Bay Street background and the Party he represents in this House of Commons.

People always ask me whether I can say anything good about things coming from the Minister of Finance. I can say that his rhetoric was just great. In terms of calling for a simple, fair, and progressive tax system and of condemning the archaic sales tax and so on, the Minister of Finance was right on the money. The problem was that he failed to match his rhetoric with reality. In other words, he has maintained the faults of the present tax system and has not made the fundamental changes which Canadians were seeking.

I can sum it up by saying that the average family will get a tax cut in the first round of \$295 per year or \$6 per week, not now, not in December, but sometime in July or August of 1988. That is a fat lot of help for people who need the help right now. Three-quarters of the Canadian families earning \$100,000 or more will get tax cuts as well. The tax cuts for

those rich Canadian families will amount to \$4,365 per annum on average or \$85 per week.

Therefore, tax reform for the average family means a couple of Big Macs and maybe fries on the side every week. Tax reform for the wealthy Canadian family means dinner at Winston's or the Beaver Club, candlelight, imported French wine, tournedos and those kinds of things. That is the disparity which the Government is perpetuating with its tax reform.

One asks oneself why wealthy Canadians who benefited in last year's Budget, who got the \$500,000 capital gains tax exemption in 1985, and who seemed to always come out on the winning side in Budgets of Liberal Governments, should come out on the winning side yet again in this tax reform proposal of the Minister of Finance.

If Canadians were looking for fairness, they are disappointed in what they heard tonight.

[*Translation*]

As for equity, analysis shows that the Conservative tax reform means that three out of four wealthy families will pay an average of \$4,365 a year less in taxes, that 60,000 profitable companies will continue to pay not one cent in taxes and that the average Canadian family will pay about \$1,000 a year more in taxes than in 1984. I submit to the Hon. Member for Lévis (Mr. Fontaine) that, since 1984, the taxes paid by the average Canadian family have increased by some \$1,300. We are now asked to believe that this is a real tax reform, that this same average family might pay \$300 less in taxes in 1988, while wealthy families will benefit from a tax decrease 14 times higher than that of low-income earners.

As for integrity, the Conservatives have unfortunately decided to keep the bad news for after the elections.

The new sales tax, whatever form it takes, will nearly cancel out the tax rebates for average families. In addition, the Government will probably be taxing for the first time ever basic necessities such as food and housing. By itself, the tax on food products would mean \$300 more for the average family. Canadians deserve more honesty. They deserve to get the full picture this evening. Once more, Mr. Speaker, the Conservatives have taken some good ingredients, but they have used the same recipe which benefits the rich and spares big companies. The final result is still the same: The average family will foot the bill.

● (2120)

[*English*]

PC tax reform means favouring wealthy Canadians, favouring thousands of profitable corporations that will continue to go tax free and it means allowing average families to pay more while not getting anything back in what they have paid in increased taxes since 1984. At the same time, the Conservatives are hiding the bad news in that sales tax increase which will wipe out any income tax cuts for the average Canadian family.