

Adjournment Debate

Department from processing renewal applications on time. However, we are seriously looking at the situation, and if difficulties should arise, I can assure you that full-time employees will be temporarily redeployed so that no application is delayed. The Minister is aware that recipients of the guaranteed income supplement and the spouse allowance depend on regular payment of those benefits. He has asked the Department to make sure that each application for reinstatement of the guaranteed income supplement and the spouse allowance will be processed in time.

The Minister also has asked me to emphasize to recipients the importance of submitting their reinstatement application as soon as they have relevant information on their income. Each year, a number of recipients fail to submit their application forms on time and have their benefits interrupted. This unnecessary interruption could easily be avoided. The recipient only has to submit his reinstatement application as soon as possible.

[English]

THE DISABLED AND THE HANDICAPPED—EFFECT OF BUDGET MEASURES. (B) SITUATION OF THE HANDICAPPED—GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, on March 3, 1986, I asked the Minister of Finance (Mr. Wilson) about a certain increased deduction in income tax for the handicapped.

I wanted to make the observation that the two Budgets and the Economic Statement of the Government amount to the largest tax increase in the history of Canada, including in time of war. That is a development in itself which we feel is a criticism of the Budget and what, I believe, Canadians find hardest to bear. We have a lot of social programs which have to be paid for, but when they are paid for at a rate which can damage the growth of our economy, I believe that is going overboard. More and more economic commentators are observing that this is a Budget which can kill or damage growth in the Canadian economy and, therefore, is counter-productive.

When we complain about how heavy the increase in taxes in the Budget is, the Government always comes back to us saying: "Yes, but we have taken care of those who are the worst off". The Government points, for example, to the allowance which was introduced in the Budget with respect to sales tax so that Canadians who are the poorest can claim a rebate or deduction from their income tax for the new heavy sales tax they will have had to pay pursuant to these Budgets. We have demonstrated, and I do not want to take too much time to do it here, that even for the poorest of the poor, the relief which is given in the Budget is far from the increased burden which the individual will have to pay in sales tax. Therefore, even for those who are worst off, the tax relief is tiny. I recall figures of a \$7 billion tax increase after five years and a \$300 million sales tax relief. That is peanuts compared to the heavy burden which middle and low-income Canadians will be paying.

• (1810)

Tonight I wish to focus attention on what the Minister of Finance has offered to the handicapped, who will also be paying increased sales taxes and increased taxes. They will receive an additional \$250 per year deduction for their extra expenses. A deduction means nothing to most of the handicapped since about 1.8 per cent of the disabled earn incomes which place them in taxable brackets. Therefore, if the Government wished to do anything for the disabled, it would be something in the nature of a credit such as was provided to mothers looking after children at home. This was a credit introduced by the former Government which put money into the pockets of those most in need. That is not accomplished here. Nothing is done for those, if I can put it ironically, but the best-off among the handicapped, the ones who have to pay income tax.

This is a measure introduced by a Minister who bragged about being proud to help the very poor and that this was what his Government was all about. As I was looking at what was done for the handicapped, my eye fell on the chart at page 42 of *The Fiscal Plan* which shows that the cost to the Government of the measure which was introduced in its first full year of operation, that is 1986-87, is zero. Therefore I asked the Minister about it. I asked him how he could say that he was helping those handicapped who pay income tax, that very small percentage of handicapped who are able to earn an income which puts them in a tax bracket of zero. The answer he gave was that the effects of the change this year will not be felt until the next taxation year as the tax returns come in. I reject that answer because 1986-87 is the first fiscal year in which these tax changes come into effect. That is the year which begins at the end of April and includes the end of the 1986 taxation year of all individual taxpayers. Therefore, it includes the handicapped. If this benefit shows anything, it should show some cost to the Treasury as of the end of that taxation year, which is included in the Government's 1986-87 fiscal year.

This is why I wished to draw this matter to the attention of the House and of the country. I do so in order to show just how cheap the Government is. It does this in an attempt to disguise the heavy burden of this Bill and the former Budget on taxpayers, especially the poor and those toward the bottom end of the scale. The Government has thrown them little concessions which in this case amount to nothing and, in the case of the sales tax credit, very little. I wish to expose the Government for what it is doing, which is taking with one hand and taking with the other.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, with respect to some of the comments made by the Hon. Member, I point out to him that the one legacy which the Liberal Government left to the Canadian people was this horrendous burden of debt, the result of which made it necessary to increase taxes. In these circumstances, 33 cents out of every dollar which is sent to Revenue Canada is for the purpose of paying off the interest on the debt. That is the legacy which has been exposed time after time. Indeed,