

*Income Tax Act, 1986*

C-80 and other documents flowing from the Budget that was introduced by the Finance Minister back in May.

● (1540)

Between now and 1990, nearly \$37 billion in additional taxes will be collected. It is the largest single tax increase in the history of this country hitting the working and middle-class Canadians, those who can least afford another increase in their taxes. On the other side of the financial equation is that this legislation is allowing the wealthy to get wealthier, and the larger corporations to get even larger through tax gifts in the way of tax exemptions.

In the budgetary measures, for instance, the Minister of Finance (Mr. Wilson) together with the Conservative Government will allow \$8.4 billion to go to oil companies before the end of the decade, starting with \$124 million this year and ending up in 1990 with more than \$2.5 billion. Couple that with the capital gains exemption that was briefly discussed only moments before. By 1990 this will amount to a \$4.8 billion gift without any guarantee.

The Hon. Member for Cardigan said that somehow, this exemption is going to be reinvested into the economy, that smaller and medium-sized businesses and companies will prosper from that investment. He knows, and Canadians know that that is simply not true. There are no guarantees in the legislation that if someone shows a capital gain that that money will once again be channelled back into Canada, back into a Canadian company, a Canadian community. The Member for Cardigan and his colleagues did not mention that if someone shows a capital gains increase of some \$200,000 there is nothing stopping that person or that corporation from going south of the border and investing in a Florida condominium or in European art. If they do that and money flows out of the country, how is it going to help the riding of the Hon. Member for Cardigan in Atlantic Canada, or those in British Columbia or in my Province of Ontario?

The other interesting aspect that this Government failed to tell Canadians is that with respect to the capital gains exemption, 63 per cent of the benefits from such a piece of legislation go to 4 per cent of Canadians. Yet we have this Government with the temerity to that it will benefit the entire country, that this is going to benefit thousands upon thousands of Canadians. If we look at past statistics, Mr. Speaker, what they are really talking about is 4 per cent of the Canadian population. How more specific, how more elitist can a Government become?

By looking very quickly at the facts and the figures, if you add the gift to the oil corporations and companies and you add the capital gains exemptions, it totals over \$13 billion in gifts to the wealthier element of Canadian society. It is no wonder then that the Government is making this deficit up by increasing the taxes to over \$37 billion by the end of the decade; \$11 billion to come directly from the deindexation of personal tax exemptions, as well as removing the \$50 tax credit that was available to every single Canadian. That is a shameful movement.

When you have a tax grab coupled with tax incentives for the rich, Mr. Speaker, I ask you, and Canadians are beginning to ask this Government, is that financial equation fair? Of course, you cannot say that it is fair or equitable because if you look at the other provisions you see very simply and very practically the unfairness of the tax measures and the direction that this Government says is an economic recovery.

It was mentioned by my colleague only a few moments ago in terms of the different tax ratios to various elements in our society that if you earn \$15,000, by 1990 you will pay 36 per cent more tax. If you earn \$30,000, you will pay 15 per cent more tax. If you earn \$100,000, you will face a 4 per cent increase. If you are lucky enough to earn \$200,000 or more, your increase is limited to 2 per cent. Is that fair, Mr. Speaker? Is it equitable that those individuals earning over \$200,000 will face a miniscule increase while the earner with a family who is bringing home \$15,000 is being told by this Government: "Listen, Mr. Joe Smith, you will have to salt away 36 per cent more tax by 1990"? Is that fair? Are Canadians going to accept that? I think not.

Look also at partial deindexation of the family allowances that was passed only yesterday, despite opposition from coast to coast and despite vocal opposition from Parties in the House of Commons. By the year 1990 this will amount to \$400 million. The Government is removing \$400 million from families which rely on that monthly cheque which is a social contract that they have with this country. Look at the pettiness. It is prepared to give the oil corporations \$8.4 billion, and yet it moves in the family allowances deindexation area. How shameful. It could have at least given the oil companies only \$8 billion and not deindex the family allowance.

We can look at the attempt at deindexation of the senior citizens' pensions as well. The Member across the aisle is upset, and I would be upset too to listen to the truth and see the facts as they are, Mr. Speaker. Our senior citizens were asked to take less money. The Member for Cardigan said that somehow we have to get the deficit under control. No one disagrees with managing our affairs in a proper way. What Canadians are not accepting and do not accept is the fact that some people are paying more of the share. The working class, the disadvantaged and the middle class are being asked to pay for those differences rather than their rich friends, their rich cousins, the rich corporations, the rich multinationals. All Canadians, whether they be poor or middle class, are prepared to shoulder the weight and do what they can in their own areas to help the Canadian economy. What they do not accept is being asked to do more than the wealthier elements in our society. That is unacceptable.

Look at the elimination of the RHOSP, a program that allowed families, particularly the younger families in our country, to salt away a few dollars each year in the hopes of buying that dream home. Well, the Tories took that away. Somehow they said: "No, you can't have those moneys, we have to eliminate the program so you can reinvest into the Canadian economy". Well, you just cannot have it both ways. You cannot expect the people to buy the homes and the