

Excise Tax Act

pension benefits will be taxed back at a rate of 15 per cent on individual incomes over \$50,000, rising to 100 per cent for incomes reaching \$76,000.

According to the Government, this measure will affect only 4.3 per cent of seniors. As one senior's organization put it to me, however, this is but the thin edge of the wedge because the \$50,000 threshold is to rise at a rate of 3 per cent less than inflation. Claw-back will start at \$36,000 by the year 2,000, and in 20 years it will start at \$28,000 and affect two million Canadians.

Furthermore, the whole approach is full of anomalies. One income earner families with salaries over \$50,000 will be taxed, but a wife and husband each earning \$50,000 or less will not. High-income seniors will find themselves paying more tax than individuals under 65 earning the same income, while seniors who live permanently outside Canada will not be taxed on their old age security cheques at all. Add this to the new sales tax slated for 1991 and cuts to federal funding for medicare, and the result is an unprecedented tax grab on the seniors of this country.

This Budget is an attack on the dairy farmers as well. Our farmers have been told that there will be a capping of their milk quotas for the next two to three years. Milk capping means no new revenue, yet their costs will continue to escalate. Who would want to be told that their salary will stay where it is for the next two to three years?

In addition, after 1990, farmers will be charged excise tax on farm gasoline when the sales tax reform is implemented.

All Canadians are concerned and most anxious to see the deficit reduced, but not on the backs of low-income people, families and our adult population. There is a great concern in the country today as is reflected in the amount of mail that is coming into my office from people in my riding of Nepean alone. They are stressing the points I have mentioned in my speech today. They are extremely worried about their future and the future of their children and grandchildren.

I ask, indeed, beg the Government to reconsider some of the measures in its Budget proposals and to try to have compassion for Canadians.

[*Translation*]

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I am pleased to ask a few questions and to make a speech in the House this evening, particularly when the Minister of State for Privatization and Regulatory Affairs (Mr. McDermid) is present, as is the Hon. Member for Winnipeg South (Mrs. Dobbie), because during my last speech in the House she kept heckling me and I found that rather challenging. Perhaps she will have an opportunity to do so again this evening.

[*English*]

In my submission, Bill C-20 is a bad Bill and should be rejected. I want to talk about some of the more pernicious tax increases contained in the Bill. First, let me summarize its effect briefly. The rates of federal sales tax are increased from 18 per cent to 19 per cent on alcoholic beverages; from 10 per cent to 11 per cent on telecommunication services and telecommunication programming services; from 8 per cent to 9 per cent on construction materials; and from 12 per cent to 13.5 per cent on all other taxable goods.

The Government maintains that those tax increases will generate an additional \$2 billion in its first full year of operation. That is \$2 billion more in tax revenue to help feed the insatiable appetite of the Government for public spending which it has done on a most impressive and continuous scale of increase, despite its phoney protestations to the contrary.

The tax increases the Government has proposed, along with the others it has implemented since it was first elected in 1984, represent the largest tax increases any government has imposed on Canadians in our history. Frankly, it is a shocking record of financial neglect, financial mismanagement, and ministerial incompetence on a scale we have not witnessed since the Diefenbaker Government in the 1950s and the early 1960s. The Hon. Member for Winnipeg South (Mrs. Dobbie) laughs. I recognize that laugh, a nervous laugh of those who realize that defeat is imminent. The Minister of State for Privatization (Mr. McDermid) is getting into the act.

They may feel comfortable in their majority in the House, but they are worried. They know that Members like the Member for Calgary Northeast (Mr. Kindy) will be deserting the Party on crucial votes in the House.