

Oral Questions

contradictions made by the Minister of Finance about the tabling of a budget last night.

Is the Prime Minister now denying his words of yesterday that there are no Ways and Means motions tabled in the Minister's budget yesterday? On behalf of all Canadians, will the Prime Minister please be truthful for a change?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is eight out of nine. What was tabled yesterday was a White Paper on Tax Reform 1987 which sets out the fact that 850,000 Canadians are off the tax rolls, that eight out of ten Canadians will be paying less tax, that nine out of ten Canadians over age 65 will be paying less tax.

We have removed a number of tax preferences of which only those people in upper-income brackets have been able to take advantage. There are a number of preferences that corporations have been able to use to reduce their taxes payable. Those are the things we have changed as a result of tax reform and that is what Canadians are interested in.

Mr. Dingwall: You didn't answer the question.

[Translation]

INQUIRY WHY GOVERNMENT GIVES REDUCTIONS TO RICHEST TAXPAYERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the purpose of my question is to defend the average Canadian, and my question is directed to the Minister of Finance.

Average Canadians are wondering why the Minister has given tax reductions to 175,000 of our richest taxpayers, reductions averaging \$4,365 annually. They are also wondering why the Minister refuses to levy a minimum tax on 60,000 corporations that, although profitable, will not be paying any taxes at all.

Furthermore, could the Minister confirm that both taxes would have resulted in \$3 billion in revenues for the federal Government and inform the House why he is refusing to collect this revenue and at the same time is threatening to impose a tax on life's necessities, including the food purchased by average Canadians?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I should draw attention to the fact that the Hon. Member is taking things somewhat out of context, which is not unusual for that Hon. Member. Sixty-five thousand households with an income of \$100,000 and over will pay an increase in tax of \$6,140. That is not an insignificant amount of money.

I think I have answered the Hon. Member's question with regard to corporate minimum tax. His Party has always been in favour of a greater degree of simplicity in the tax system. We have tried to deal with that problem in a way that is not arbitrary and temporary, but does it once and for all by fully taking out a number of those tax preferences which have resulted in Canadian companies not paying tax, and to make

the changes on an ongoing basis rather than in an arbitrary way through a minimum tax. That is the permanent solution to the problem he has addressed.

Mr. Cassidy: The Minister of Finance is talking about simplicity in the tax system for the rich while ordinary Canadians pay tax in the same old way.

MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Why will three out of four wealthy Canadians see this big tax reduction? Why will 60,000 corporations that are profitable not pay any tax at all? Why has the Minister forgone \$3 billion worth of revenue which could have been used to keep ordinary Canadians from having to pay a sales tax on food?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member would take the time to read this document he would see that we have been introducing through it a great degree of fairness into the tax system. Eight hundred and fifty thousand Canadians will no longer pay tax, according to this document.

The reason is that we have moved from exemptions to tax credits, which I know that the Hon. Member will agree in his heart is the right way to proceed. That is particularly fairer for those people in low-income brackets. That is why the tax system would be more progressive after tax reform than it is today before tax reform.

[Translation]

IMPACT ON ECONOMY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of State (Small Businesses and Tourism).

Yesterday, this Government sent an excellent and very significant message to the dynamic entrepreneurs in this country by making risk and business ventures more attractive. He sent this message to the people with whom we created 70 per cent of 840,000 new jobs. However, considering the confusing statements made by the Hon. Member for Laval-des-Rapides and his socialist colleague from Ottawa Centre, I think the Minister should inform Canadians today about the positive impact this Budget will have on job creation and business development, by letting entrepreneurs keep a little more of their profits.

L'hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the tax reform proposals tabled yesterday by the Minister of Finance are a clear and accurate example of this Government's desire to promote entrepreneurship in this country. Out of 840,000 jobs created, 70 per cent were created by small business, and we all know that yesterday, neither the Leader of the socialist party nor the Liberal Party mentioned the small business people across Canada who will benefit from this Budget. There will be more investment and more risk-taking, and in return, more