

Oral Questions

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member has raised the question of regional disparities. This is a question that I very clearly addressed in the budget statement in two instances. We have been acting on this, as I indicated in response to the Right Hon. Leader of the Opposition, and there are further steps to be taken.

The Prime Minister has asked for a report on regional problems in Atlantic Canada which will be forthcoming shortly. The Deputy Prime Minister has a working group under way within the Government to deal with the problems of western diversification. There are other measures being taken in relation to problems in northern Ontario and northern Quebec.

As I indicated in the Budget, decisions will be made and announcements will be made at the appropriate time. But there is clearly a record of achievement by the Government. There is clearly a sense of direction as to how we will address this problem and see some real solutions.

● (1440)

SALES TAX EXTENSION

Miss Aileen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance who, in his budget speech yesterday, denounced sales taxes as unfair, inefficient, and silent job killers, while at the same time he added yet more sales taxes, for a total increase of \$8.7 billion in the sales and excise tax loads since the Government took power. Will the Minister tell the House why he continues to depend so heavily on a form of taxation which hurts people and which he himself claims to find distasteful?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has quite rightly pointed to problems in the sales tax system about which I have been talking for some while now. The sales tax system is a silent killer of jobs. We have evidence in recent months where companies have closed down and moved to the United States, in part because of the impact of the sales tax system. I would hope, as we progress into sales tax reform, that she will understand and recognize that this is a problem and will look objectively and supportively at the reforms we will be proposing.

TREATMENT OF POOR AND UNEMPLOYED

Miss Aileen Nicholson (Trinity): Mr. Speaker, the Minister's rhetoric is good, but the fact remains that the Government is now stooping to wring nickels and dimes out of individual taxpayers who will be paying \$7.6 billion in sales tax and income tax this year. What concrete assurance can the Minister offer today to the poor and unemployed who were left out of his Budget yesterday?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the poor and the unemployed have been well treated by the Government in the sense that 675,000 jobs have been created, which is the best way I know of getting people out of poverty,

off the soup lines, and into the workforce where they have jobs. We have also addressed very clearly—and we have addressed it in all parts of the country—the problems of low-income Canadians, with the refundable sales tax credit. I see an Hon. Member across the way laughing at the refundable sales tax credit. I do not think that the people in her riding are laughing at that. I think they are quite appreciative that the Government is addressing a problem with action, not the rhetoric that she comes out with.

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[Translation]

FINANCE

INEQUALITY BETWEEN PERSONAL AND CORPORATE TAXES—
GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of Finance. There is a credibility problem. We have heard all sorts of promises about tax reform and about what the Minister will do next year. I want to ask him if there is any justice in the fact that, since his Government has come to power, taxes on individuals have increased by \$23 billion while corporate taxes have gone down by \$2 billion. Is this fair?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Governments are here to deal with problems. We are dealing with this problem. I have said clearly that the problems which the Hon. Member has raised in relation to the corporate tax system are valid concerns. We are dealing with those concerns. We have shut down a number of the tax loopholes which corporations had been using regularly, during the 2.5 years we have been in office.

I announced last night that there would be a general tax avoidance rule which, again, is supposed to deal with corporations that are making excessive use of these tax avoidance schemes and to get profitable corporations paying tax. We have also said that in tax reform there will be a reduction of tax preferences which corporations can use. All these things are designed to deal with that problem. As I have said before, I hope the Hon. Member will support us when we get to that element of tax reform.

CORPORATE TAX REVENUE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the latest unemployment figures show that, outside of Ontario, in the last year only 5,000 new jobs have been created since January, 1986. The Minister's own figures show that corporations are paying \$2 billion less in taxes in 1987-88 than they were paying at the time the Government came into power. Why don't you take that \$2 billion from corporations, which they should be paying, and get some jobs across the rest of the country?