

*Statements by Ministers*

[English]

Building a stronger, more resilient economy is the best way to ensure that Canadians have the resources to sustain and enhance their social and cultural identity, key elements in the high quality of life we enjoy. It is the best way to strengthen the distinctive elements of national life that make Canada a unique and uniquely successful nation.

[Translation]

The government will continue building a stronger Canada by moving forward on the full range of initiatives designed to unlock our potential as individuals and as a nation—initiatives such as tax reform, free trade, regulatory reform and child care.

[English]

Last June 18, I said that, in the final analysis, this package must be judged on whether the proposals would give to our senior citizens more peace of mind and security; to those in need, a fairer and reduced tax burden; to our young, a greater sense of opportunity and hope; and to our working people, more incentive, stability and freedom.

I can say today—with even greater confidence—that we are meeting those tests.

[Translation]

**Mr. Raymond Garneau (Laval-des-Rapides):** Mr. Speaker, we have just witnessed what I would call a farce, and I think this fact deserves to be strongly emphasized so Canadian taxpayers will realize what it is they have been watching.

• (1700)

[English]

This Government cannot be trusted. This Minister of Finance (Mr. Wilson) cannot be trusted—

**Some Hon. Members:** Oh, oh!

**Mr. Garneau:** —because he has abused the confidence of Canadian taxpayers. The Minister of Finance is just like a thief who has stolen the purse of an old lady in a park with \$200 in it, and just because he returns the empty purse, he expects to be thanked.

[Translation]

Mr. Speaker, I intend to comment on the various items mentioned by the Minister of Finance in his speech today, and to give you an example of the simile I just gave, here are some comments on the tax treatment of families.

Mr. Speaker, in 1985 when this Minister of Finance decided to de-index partially family allowance payments, reduce the dependent child exemption and increase the child tax credit, he saved the federal Treasury and took out of the pockets of Canadian families one billion two hundred million dollars over a five-year period. He cut family tax benefits by \$1.2 billion. For 1988-89 this would represent a saving of \$200 million.

And what did he announce today? He will return part of the 200 million he took out of the pockets of these families three or four years ago.

Mr. Speaker, that is what I mean when I say the Minister cannot be taken seriously, when he says his tax reform will improve the circumstances of our families. He is just giving back part of what he took away several years ago.

Mr. Speaker, since 1984, tax reform has developed into a three- or four-act farce. Initially, the Government tightened the screws on Canadians with the biggest tax increase in our history.

Mr. Speaker, in his last three Budgets the Minister of Finance increased taxes by a total of \$22 billion—yes, \$22 billion—which put a considerable burden on families—

**An Hon. Member:** The deficit!

**Mr. Garneau:** —the Hon. Member for Portneuf (Mr. Ferland) had better look after his riding, because if he is so anxious to talk about the deficit, we will talk about it later on. I certainly have some comments to make.

So the Minister of Finance increased taxes by \$22 billion.

Mr. Speaker, perhaps I may recall the various tax increases he introduced.

First, he increased the sales tax by 1 per cent in 1984.

Second, he increased the sales tax by another 1 per cent in 1986 and then by a third 1 per cent. In fact, there were two sales tax increases in 1986 of 1 per cent each. Mr. Speaker, do you realize how much this cost, per increase? It cost Canadian taxpayers an additional 1 billion dollars. For every increase, the Minister took an additional 1 billion dollars out of the pockets of Canadian taxpayers.

He raised the tax on gas by two cents a litre in 1985. He increased it by an additional cent in 1987. This afternoon, the House was looking at four cents altogether, because as of today, the tax on gas will be four cents a litre more than when this Government came to power.

Mr. Speaker, sales tax has been extended to a number of items that were not taxed before, representing an increase of \$400 million. There is even a tax on chocolate bars, the stuff children buy for snacks. The tax on cigarettes and tobacco was raised initially in 1985. In 1986 the tax on tobacco and alcohol was raised a second time. The third time was in 1987, and we will have another 3 per cent increase as a result of the Minister's statement.

The Registered Home Ownership Savings Plan was abolished. Our income tax system was de-indexed. The federal tax rebate was eliminated. The status of married persons was changed, resulting in additional tax increases. Five and 10 per cent surtaxes were introduced. Another 3 per cent surtax was added, which has now become a permanent fixture as a result of Bill C-64. And now we have an additional 10 per cent tax on all communications except basic services, which will take \$1 billion out of the pockets of Canadian taxpayers.