

Oral Questions

INTRODUCTION OF NEW TAXES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, as of 1988 is there not a brand new 10 per cent tax on long distance telephone calls and a brand new tax on cable television? Do not those amounts add another \$1 billion a year in new taxes?

Did the Minister not put a new tax on pet food, soft drinks and snacks? Is that not another \$500 million a year in new taxes? And did he not partially deindex the system, and that means an extra \$1 billion in new taxes this year and more next year and every year thereafter? I ask the Minister, did he not impose these new taxes? And did this Minister and this Government not say during the last election campaign that there would be no increases in taxes?

● (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Right Hon. Leader of the Opposition put his foot in the glue when he said we are being taxed more than at any time in history. If he will go back to the time he was the Minister of Finance in the early part of the 1970s, he will find that something like 17.5 per cent to 17.9 per cent of national income was represented in federal government revenues. Today that amount is less than 17 per cent. I have the amount here which I will check while he is posing his next question, but I believe the comparison is 17.9 per cent when he was in office against about 16.7 per cent this year.

EFFECT OF NEW TAXES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the Minister has time to look at his figures, he will find that I was last Minister of Finance who brought a surplus down in this House of Commons, and not the \$30 billion deficit the present Minister is bringing down. The average deficit over my four years was \$710 million, not the \$30 billion range this Minister is talking about.

I have only just begun with this Minister, Mr. Speaker. Did the Minister of Finance not slap a 3 per cent surtax on taxpayers, which means a loss of disposable income for Canadians of over \$2 billion a year? Is that not new? Did he not put new taxes on airline tickets? Did he not put a new tax on paint and wallpaper and raise it by 50 per cent? Did he not give wealthy Canadians a capital gains exemption, all of which means that, as a result of four years of this Minister, 99 per cent of Canadians pay more in total taxes than they did in 1984, and only 1 per cent of Canadians, those earning more than \$117,000 a year, pay less in taxes? Isn't that the fact?

Hon. Michael Wilson (Minister of Finance): This may be the last time the Right Hon. Leader of the Opposition raises these questions in the House. If you will give me some time, Mr. Speaker, in 1974-75 revenues as a percent of gross national product were 19.2 per cent. In 1986-87 they were 16.8 per cent.

Some Hon. Members: Hear, hear!

An Hon. Member: More!

An Hon. Member: He had the last surplus.

Mr. Wilson (Etobicoke Centre): Yes, he had the last surplus, but he then put it quickly into deficit and the deficit increased from 1.6 per cent of national income to 3.3 per cent.

Mr. Gauthier: Answer the question.

Mr. Wilson (Etobicoke Centre): He doubled it in his very short term in office. Revenues increased by 91 per cent during his time in office. That is a lot of tax. Personal income tax revenues increased by 76 per cent. Here is the reason why it increased. During that time, total spending rose by 107 per cent.

Some Hon. Members: Shame!

Mr. Wilson (Etobicoke Centre): I do not even have to look at the briefing note here because it is indelibly printed on my mind. In his last year as Minister of Finance spending went up 29 per cent.

Some Hon. Members: More, John!

* * *

FILM DISTRIBUTION INDUSTRY

NEWSPAPER REPORT—TERMS OF PROPOSED LEGISLATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the anticipated tough Canadian film Bill intended to curb American dominance of film, TV, and video distribution here in Canada was raised once again at the Mulroney-Reagan love-in. The *Toronto Star* reporter, Sid Adelman, quotes from a memo from the Canadian representative of the American major film distributor to his American bosses indicating that a deal has been reached to soften the long promised tough legislation.

My question is directed to the Minister of Communications? What is that understanding? What is this great collaboration. And what deal was just reached in Washington?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, may I say to the Hon. Member who seems to rely so much on American sources—

Mr. Broadbent: The *Toronto Star*!

Mr. Riis: It is still Canadian!

Miss MacDonald: Americans being quoted in the *Toronto Star*! Who else would the *Toronto Star* quote but Americans?

May I say that the story is both inaccurate and misleading.