Stelco, Dofasco and Algoma are very competitive because Liberal governments, through tax policies that allowed accelerated write-offs, encouraged companies to upgrade their steel-making capacity so that they could compete on a world-wide scale. While we may hear the NDP say that this type of tax incentive is a corporate rip-off, and would deny such a tax incentive, when it comes to actually eliminating an accelerated write-off to a company like Stelco or Dofasco, or eliminating the flow-through shares, reality hits the NDP hard. Reality dictates that there are certain tax incentives that can be introduced by governments to help business, particularly small business in this country, remain competitive with other countries.

Unfortunately, the NDP would like to play both ends through the middle. They criticized our past record for tax incentives. They also criticized the Liberal Party for believing that when there is an opportunity to assist Canadians, one should try to assist those at the lower end of the income scale.

I am not sure what the NDP would do, but there is a distinct difference in the approach taken by the Liberal Party and the Conservative Party in relation to tax policy.

One example is the area of child care, which has had much discussion in the last number of months. The Government's position with respect to child care is that there is only a certain amount of money that can be allotted to assist families facing this desperate need. If one follows the Conservative philosophy, why would the Government introduce a policy on child care strictly from the taxation point of view, which permits child deductions as opposed to child credits? The Government has potentially doubled the tax deduction available for parents. For a high income earning Canadian like myself, with the salary I receive as a Member of Parliament, the tax deduction will mean two or three times more money in my pocket than that for a steelworker or cleaning lady claiming the same deduction.

A cleaning lady in my riding works for a minimum wage of $4.50 an hour. She will not benefit from the child deduction in the same way as I will benefit.

If the Liberal Party had been in power for the introduction of a child care package, we would have told Canadians that we recognize that each family has a responsibility to be involved in the raising of their children, including financial involvement when it comes to child rearing and organizing for child care. At the same time, there are many Canadians in the middle class, particularly in the $25,000 to $30,000 a year range, who are being attacked from all sides. According to the Government's policy, rather than introducing a credit that will give the cleaning lady a better financial return than a Member of Parliament, it is giving more tax deductions to assist the higher-income individual to a much greater degree than a lower-income individual.

Even if we accept the amount of money that the Government is considering, we believe that the portion being set aside for family deductions should have been directed toward tax credits so that a mother working outside the home and earning perhaps $15,000 to $20,000 a year will be able to get a larger return on her income tax than the mother who was earning $50,000 or $60,000 a year.

That would be sane tax policy. It is a fair tax policy which recognizes that the role of Government is to redistribute from those who have to those who have not. It would give those women in the middle class the opportunity to go out and participate in the paid workforce if they so choose. We should have the opportunity to be able to remain at home and look after our children if we have the tax base that gives us that support. Unfortunately, the Government's policy has resulted in an erosion of support for the family. The family allowance was deindexed. This suggests to me that the Government is not prepared to give the same kind of support to people with children.

The principle is simple. Someone who earns $40,000 a year and supports a spouse and children should be able to pay less tax than a single person earning $40,000 a year who can spend their disposable income on one person. Such a policy indicates support for families, rather than cutting back on family allowances. This so-called tax reform has the largest tax increases in the history of this country. According to the Government's own figures, the only people who will be able to take advantage of tax reform are those earning over $117,000 a year. That is not tax reform, that is tax robbery. It is tax robbery of the middle class in particular by a Government that realizes its mandate was not to serve the ordinary man and woman.

• (1810)

This mandate was to serve the big moneyed operators who are able to take advantage of the half million dollar capital gains write-off. That was one of the first actions of this Government. Ordinary Canadian men and women are taking it at the gas pumps. There has been a total increase of 27 cents a gallon since this Government came into power. They are taking it in indirect taxes. The average family is now paying over $1,000 extra in taxes. The people who are being helped out are the high-income earners like the person who can take advantage of the capital gains exemption and the person who is earning over $117,000 a year.

We do not believe that is tax reform. We think this document is a fraud. We think the Prime Minister (Mr. Mulroney) and the Government are about as honest in this particular venture as they were when they told senior citizens that their pensions would never be touched. We hope the Prime Minister and the Government will have the courage to call an election so that the people can decide for themselves whether or not they want to face these exorbitant tax increases.

[*Translation*]

Mr. Deputy Speaker: I have received written notice from the Hon. Member for Nickel Belt (Mr. Rodriguez), informing me that he is unable to be present to move his motion during Private Members' Hour on Monday July 25, 1988. Since it was not possible, in accordance with Standing Order 39, to arrange an exchange of positions in the order of precedence, I instruct the Table to put this item at the bottom of the order of precedence.