

Statements by Ministers

If we consider now a family of four where the bread-winner has an income of \$30,000, Mr. Speaker, do you know that the last three Budgets meant for that family an increase of more than \$1,000 in taxes?

When we look at that tax reform, despite all the computations he gave, his tax reduction will be \$370. So after his taxes were increased by more than \$1,000, they reduce them by \$370 and people are saying hear! hear!

Some Hon. Members: Shame!

Mr. Garneau: They refer to senior citizens. The Minister said in his Budget speech, because that was a Budget speech, senior citizens would benefit from that thing, that speech.

Mr. Speaker, I submit again the Minister is hiding the truth or does not want to tell it all. A single individual aged 65 or over with a \$15,000 income saw his income tax increased by \$383 since the Conservatives came to power. That same single individual earning \$15,000 will recoup only \$66, or thereabouts, in tax reduction after tax reform. First a \$383 increase then he recoups \$66, and they are saying hear! hear! across the aisle.

[English]

I am convinced it will be very easy for us to explain to the Canadian people that the Government is hiding something. It is just like—

[Translation]

—just like that merchant who raises his prices two weeks before he announces a sale. He raises his prices 25 per cent, 30 per cent and then he advertises: Come to my sale, all prices slashed 10 per cent. This is a scam, Mr. Speaker.

Mr. Speaker, I would like to indicate to the Minister of Finance that in all the examples he gave in his Budget documents nowhere is the increased sales tax taken into account. Nowhere. They are only showing the benefits from the income tax side, and which are minimal anyway. But nowhere is reference to be found to the \$1 billion the Minister is quietly getting from that tax reform.

We have been told this evening that Canadian taxpayers will pay \$1 billion more in 1988 in federal sales tax and it has been suggested, Mr. Speaker, that this tax reform is expanded solely for discussion purposes. I say calmly about the statement made by the Prime Minister in the House: either he did not know what his Minister of Finance was doing, in which case he made a serious mistake, or else he did not want to say . . . And we know certain unparliamentary terms prevent me from saying the truth about the matter. And I truly question the sincerity of the Prime Minister this afternoon when he answered the questions of the Leader of the Opposition (Mr. Turner).

Mr. Turner (Vancouver Quadra): He also misled the Speaker.

Mr. Garneau: Mr. Speaker, I should like to deal with some other aspects of the tax reform which will have substantial effects in several regions. However before this I should like to raise another aspect of the tax reform. The Minister, who was then applauded by Tory members, said:

[English]

He gets a round of applause because 850,000 Canadian taxpayers will be taken off the tax rolls. I have people who have been working on that. Because of the 31 people who were informed of the Budget before tonight, we had all sorts of leaks in the paper this morning. One of them was exactly that, that we were supposed to have 850,000 people taken off the tax rolls.

• (2110)

What a coincidence. People who have been researching the matter for me sent me a note just before I rose to my feet. They tell me that many more than one million taxpayers have been added to the tax rolls because of the last three Budgets. This will be proved tomorrow through further research but they have researched the fact that the Conservatives have added more than a million taxpayers to the tax rolls since they have been in power. Now— big deal—they are subtracting 800,000.

This tax reform will affect regional development. The changes in the flowthrough shares will affect the mining industry. The earned depletion allowance is affected.

Some Hon. Members: Bye-bye, Mike.

Mr. Garneau: I must say, Mr. Speaker, that the Minister told me he would have to leave before the end of the day.

With regard to regional development, not only will the mining regions be affected but also the Maritimes, the Gaspé and other regions which, until now, were benefiting from tax credits. The tax reform in this Budget will affect regional development once more.

There is nothing in this tax reform which will help women who have to look after their children and work at the same time. There is nothing in this tax reform to help single parent families. The tax credit for the increase in sales tax is not sufficient. Since none of the tax credit is reimbursable, this scheme does no good for the poor and the middle class.

Many people close to me know that I am a history lover. When I heard that the Minister of Finance was going to table his White Paper on tax reform on June 18, I recalled that June 18 is the anniversary of the Battle of Waterloo. That battle took place on June 18, 1815. *The World Book Encyclopedia* says the following: The Battle of Waterloo—

—fought on June 18, 1815, was the final battle of the French military genius, Napoleon Bonaparte. It put an end to his political ambition to rule Europe. His defeat was so crushing that, when a person suffers a disastrous reverse, we say the person has "met his (or her) Waterloo."

I suggest that the Minister of Finance has met his Waterloo.