Opposition, the Leader of the New Democratic Party, and myself, on the possibility of putting such a resolution before the House. He knows that his Party and mine agreed on such a resolution, but the idea of unanimity of this House behind such a resolution was certainly scorched when the Leader of the New Democratic Party, who I see is not in his seat—I know we will all be happy to hear his comments on it—tabled his own requirements for supporting that resolution, and those requirements contained some of the elements which would prevent the Conservative Party and the Liberal Party from subscribing not only to the Parliamentarians for World Order resolution but any resolution which, for instance, went squarely against the two-track decision of NATO at this time.

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THE ECONOMY

AVERAGE FAMILY INCOME—REQUEST FOR WITHDRAWAL OF PROPOSED SALES TAX INCREASE

Hon. John C. Crosbie (St. John's West): Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the Minister of State for Finance. He will have noted that Stats-Can revealed on Friday that average family income in Canada declined 2 per cent in real terms in 1982 as compared to 1981. That is the first time since the survey began that real family income in Canada declined for two consecutive years.

The Minister may have noted that the average income of female single parent families, the most needy, was down 7 per cent from 1981 in real terms.

In view of this battering of Canadians, which continued in 1983, and which certainly impedes any recovery, would the Minister advise the House whether the Government will postpone or eliminate the 1 per cent increase in the sales tax planned for October 1? The sales tax is the most regressive of all federal taxes. Will the Government do away with that increase, and also with the changes in income tax which will result in $7.6 billion of income being taken from Canadians in the next three years? Are Canadians not being crucified enough with these losses in real income?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, all elements in our society have shared in the restrictions and restraints which have marked the recent economic recession and period of recovery. Family income is no exception. We have seen a rapid drop in inflation in Canada, which is reflected in the statistics which the Hon. Member has cited. What we have also seen is a reduction in the growth in wage increases in Canada. For example, in the fourth quarter of 1983 over 1982 there was an increase of 0.4 per cent, a minimal increase in real wages during that period. What does that mean? It means that Canada has become more productive. We are better able to compete internationally. That in turn is reflected in our record export performance over the past year and a half. We are seeing it happen. Inflation is coming down, Canada is becoming more productive, business is going forward, and jobs are being created.

The Hon. Member opposite also wants to bear in mind that we have seen that consumer demand has led recovery and contributed to a great improvement in the balance sheets of Canadian corporations. Investment will follow that improvement as the profitability of corporations increases. I think the Member opposite is wrong to take his normal gloom and doom attitude. In fact the situation in Canada today is very promising.

Mr. Crosbie: The Minister is saying that it is a good thing that real incomes of Canadian families have dropped, it is a good thing that the income of female single parent families went down 7 per cent, and that average wages declined last year. This is a good thing and he welcomes it!

PLIGHT OF PEOPLE BELOW POVERTY LINE

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the Budget forecast that this year real wages will increase 0.0 per cent. In 1982, 3.9 million Canadians lived below the poverty line, an increase of 400,000. Is it the Government's philosophy that the increase in those who live below the poverty line is a good thing because it makes Canadians more competitive? Or will the Government consider those 400,000, and the other millions whose real incomes have gone down, and eliminate the sales tax increase in October and the income tax increases which are going to harm them even more?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member opposite must know that it is our intention, in answer to his specific question, to proceed with the increase in the sales tax. He knows perfectly well that when we announced that increase in the April, 1983, Budget we did so in full expectation that economic recovery would be under way and that the taxpayer would now be able to sustain that slight increase. We did so because the Government of Canada needs the revenue. If the Government is to maintain its policies of support for those who can least afford a recession in Canada, for those provinces in need of transfer payments, the Government must raise the necessary revenue.

Now that the economic recovery is going forward, we are satisfied that the impact of 1 percentage point increase in the sales tax will not have the deleterious effects the Hon. Member opposite imagines. On the contrary, the evidence is everywhere at hand that the economy is able to sustain that slight increase in taxation and that there will be no harmful effects of the sort that the Hon. Member so often imagines in his dark thoughts.

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