

The Budget—Mr. Garneau

centres. According to the National Council on Welfare, 3,916,000 Canadians were living under the threshold of poverty—almost 15 per cent of the entire population.

These people were living below the level of poverty, Mr. Speaker, so what did the Government do? It had the bright idea of taxing people whose family income was as much as \$8,000 and \$9,000 lower than what is called the poverty level, people earning \$10,500 who now have to pay taxes as a result of the Budget of Conservative Governments.

Mr. Speaker, I emphasize that, according to figures released by the National Council on Welfare, one out of five children lives in poverty. This is quite unacceptable and I fail to understand why the Minister of Finance (Mr. Wilson), confronted with such a situation, did not honour the commitment he made in his February 26 Budget speech last year to revamp social programs so as to correct this situation.

Mr. Speaker, the same figures reveal that 51 per cent of Canadian families now need the incomes of both father and mother to be able to live above the poverty level. Canadians were hopeful that the 1987 Budget would include concrete measures to relieve needy families. The Minister of Finance himself made that promise last year when he stated, and I quote his own words:

In my next Budget, I intend to propose further measures to reform our system of social expenditures and related tax provisions.

Mr. Speaker, we have reached the point where the contents of the Budget speech barely mirrors the commitments made by a politician during an election campaign. We can understand that an electoral program may very well be implemented over four or five years. Sometimes a man may get carried away by enthusiasm. All politicians have been known to resort to fancy rhetoric now and again, but as a rule a Budget speech reflects Government policy and gives Canadians an idea of what the Government intends to do with respect to various programs.

The Minister of Finance has failed to keep any one of the three promises he made in his Budget last year.

So what does the Government now propose in what is pompously called a Budget speech which, as far as I am concerned, the Minister would have been better advised to deliver before his Etobicoke Conservative association? With respect to the reform of social programs, nothing, absolutely nothing, Mr. Speaker. Once again the Conservatives have blatantly ignored their own commitments. Does the inaction of the Minister of Finance stem from the fact that the Conservatives or most of them—I believe the Minister is somewhat more sensitive than many of his colleagues, and I would have hoped he would have shown evidence of his moral authority in this case—but I must conclude that the inaction of the Minister can only be traced back to the fact that most Conservatives consider social programs as shackles or a burden the State must carry around year in and year out. Are these Conservatives still dreaming about putting the axe to these social programs? If that is the approach of the Conservatives I

will tell you right now, Mr. Speaker, that it is not my approach nor that of my colleagues on this side of the House.

Indeed, the social programs established by our Party over the past twenty years may and must be reviewed if only to make them more attuned to new conditions. I am not afraid to say openly that time has come—and then some—to set up a guaranteed annual income system.

In fact, the Liberal Party passed a resolution to this effect at its convention last November. We believe that an annual income formula can be developed and coordinated with the provinces in the interest of sound financial management. We also maintain that a guaranteed annual income formula would be more satisfactory as it would be more effective in encouraging people to remain and get back in the labour market. It is time to guarantee an adequate annual income to Canadians because the cumulative effect of the recent Conservative Budgets has been to widen the gap between the rich and the poor.

Mr. Speaker, when we speak of the gap between the rich and the poor in Canada caused by the three Conservative Budgets, we also have to consider the position of our young people. There is absolutely nothing in the Budget to meet the needs of the young unemployed. Nothing is said about meeting the commitment made by the Prime Minister of Canada in Vancouver last fall at the First Minister's Conference when he promised to implement a child care program.

● (1140)

[English]

—child care program.

As a result of the budget speech yesterday the Government gave the impression that taxpayers may breathe easier for a while. The Minister of Finance gave the impression yesterday that there would be no new personal income tax increases this year. I strongly disagree with that. Let us look at the true tax picture for Canadians. In the previous two Budgets, the Government literally built hidden tax hikes into the system in such a way that taxes will go up each year without any new public announcements and with no debate. The end result is that taxpayers are paying much higher taxes in each successive year, long after the initial legislative changes were made and forgotten.

The most important of these hidden built-in tax increases are the partial deindexing of the old tax system, the deindexing of the complete child benefit family package and, in 1987, the 3 per cent surtax which was only in effect for six months last year. Because of these and other measures, a married couple both of whom work and earn a total of \$30,000 and have two children will pay close to \$1,000 more in taxes in 1987. This is an increase of \$376 over last year and is due to the built-in hidden tax increases and the new taxes introduced by the Conservative Government yesterday.

I do not know whether any other Minister of Finance in Canada has imposed close to the \$1,000 of new taxes which