

*The Budget—Miss Nicholson*

**Mr. Hawkes:** Is it an economic catastrophe for the nation that unemployment today—

**Ms. Mitchell:** Why don't you ask your constituents that?

**Mr. Hawkes:** —unemployment today has been reduced 20 per cent?

**Mr. Langdon:** It is three points higher than the United States.

**Ms. Mitchell:** Not across the country it has not. It is 27 per cent in Vancouver.

**Mr. Hawkes:** It has decreased 20 per cent in two and a half years. Is that an economic catastrophe? Growth can be measured by aggregating dollars. If it is full of inflationary dollars at 15 per cent, and if there is 15 per cent growth, then we stand still and do not go anywhere. It is real growth that we are after. We wish real reduction of expenditure, and we have that. Taxpayers do not donate money to the federal Government. The Government has the legal power to rob them, and to steal the money out of their pockets. That is what a democracy is all about. That should not be entered into lightly, and that money should not be wasted. It should be targeted and well used. That is the responsibility that we accept when we come here.

It is difficult to sit in this Chamber and listen to the two opposition Parties, member after member say, spend, spend, spend. Create debt, create debt, create debt. Pay interest, pay interest, pay interest. Canadians do not have jobs, they do not work hard and create money for themselves to give it to Government to pay interest. There is \$23,000 of federal debt owed for every household in this country. That is the legacy that we will correct. Give us two or three more Budgets and it will be going back the other way.

**The Acting Speaker (Mr. Paproski):** Questions and comments are now terminated. On debate, the Hon. Member for Trinity (Miss Nicholson).

**Miss Aideen Nicholson (Trinity):** Mr. Speaker, what the Government brought down this week was not a Budget. Canadians deserve better than what they got. It was a thin, insubstantial package of vacuous rhetoric, fancy bookkeeping, and mean-minded tax increases. There was no commitment, no initiative, no creativity, and no vision. Instead of calling it a Budget, the Minister might have issued a press release and tabled a Ways and Means motion.

We have a right to expect that in a budget we will see what goals the Government has set, what measures it proposes to reach those goals, and a forecast of how effective the proposed measures will be. This Budget has no projections at all. In this hollow, disappointing exercise that we were put through on February 18, which the Government is calling a budget, we had documents which are long in rhetoric and short in substance. There are no economic forecasts, nothing to indicate the future impact of the few proposals made in this

Budget, which should more properly be called an Economic Statement. I question the need for going through this charade at this time. It is a Budget that offers so little to so few, while we are told to wait a little longer, the magic of tax reform is coming.

In November, 1986 the Minister of Finance (Mr. Wilson) promised that tax reform would be the centre-piece of his next Budget. I believe it was his second promise that tax reform was coming soon. A few weeks ago he backed away from that. He postponed the introduction of his proposals for tax reform until some nebulous date in the spring. He offers the rather lame excuse of wanting to give careful consideration to the submissions that he has received on the subject. I think we can translate this as meaning his Cabinet cannot come to any agreement.

Canadians were offered this self-serving mockery of a Budget. Indeed, there is so much self-congratulation in it that one wonders why many of the papers were not published by the Conservative Party instead of by the Government of Canada.

Apart from the petty nickel and dime tax increases in this Budget, taxpayers may have breathed a sigh of relief not to have been the targets of yet another onslaught of new taxes and tax increases such as those imposed in the Government's first two Budgets. In fact, those tax increases, many of them hidden tax increases, are still very much intact and are only beginning to have the insidious cumulative effect for which they were designed.

As they prepare to file their tax returns, taxpayers are realizing how much of their income is being eroded by the individual surtax, the deindexation of tax brackets, family allowances, and personal tax exemptions. These changes have created built-in tax increases and will result in higher taxes year after year, quietly and automatically long after the initial changes were made. That is why I call these escalator taxes. It raises the question, as the Minister keeps promising tax reform, and promises lower personal income taxes after reform, lower than what? How far up will he take us on his escalator before he introduces reform? Will reform bring us back to where he started, or to some midway point?

• (1430)

Middle and low-income Canadians paid more tax in 1986 than in 1985 and will pay yet more in 1987. A married couple with one wage earner and two children paid \$630 more in taxes in 1986. In 1987 the same family will pay \$930 more than before these measures were introduced. Elderly couples with a joint income of only \$15,000 a year paid \$45 more in 1986 and will pay \$130 more in 1987.

On the other hand, the family with two children and one wage earner earning \$100,000 a year will have its tax burden lightened by nearly \$500 in 1987. We must remember that a family at this income level is also in a position to take advantage of measures which low-income families cannot, such as RRSPs for tax deferral, and might also be able to avoid some