

Not only has this particularly regressive tax been increased, but its application has been broadened to include non-prescription health care products, soap, shampoo, candy and even pet food. These measures hit hardest at lower income Canadians. The truth of the matter regarding the proposed \$50 sales tax rebate for low income Canadians is that the Conservative Government is providing the false impression that it is granting these lower income Canadians an escape from the negative impact of its sales tax increases. This paltry political gesture is completely overwhelmed by the much greater increases in sales tax, on gasoline for example. In fact, sales taxes are increased on cigarettes and alcohol and the sales tax portion is increased on every larger ticket item required to furnish a home.

For example, a poorer family needing a refrigerator, a stove or a washer costing approximately \$600 is going to pay 12 per cent in federal sales tax and that amounts to \$72 for just one item. That is a lot more than the sales tax rebate for which the Conservatives are trying to take such credit as being something that will wipe out the negative impact of these unfair increases in sales tax. Obviously the sales tax rebate, this sales tax credit, will only help wipe out the negative effect of the sales tax increases to a very minor degree.

Furthermore, only income earners below the \$15,000 level are eligible for this tax credit. A four-person family living below the poverty line with an annual income of \$15,000 to \$20,000 will not receive this \$50 sales tax rebate. In other words, the federal Government has unilaterally redefined the poverty line. Statistics, Canada, the federal Government's own objective statistical analysis agency, has said that the poverty line is in the area of \$20,000 to \$21,000 annually. What is happening to families earning between \$15,000 and \$20,000? Why are they not getting the sales tax rebate? Poverty exists at the \$20,000 level whether or not Conservatives are willing to admit it. The Minister of Finance and the Prime Minister are exhibiting an unparalleled insensitivity and profound carelessness about the economic plight of middle and lower income Canadians.

The May, 1985 Budget inflicted such gross injustice on senior citizens that the Minister of Finance and his heartless Conservative Government were forced by public outrage and the pressure exerted by Liberals and other Opposition Members to back down and withdraw the measure to deindex the Old Age Security benefits system. Just as it was our duty to protect Canadian pensioners, it is now our responsibility to protect Canadian families and indeed the entire middle class from the Conservative Government's contemptuous disregard for the principle of fairness.

With the continued presence before the House of the unfair and regressive Conservative Budget of last May, and with the voting into law by the Conservative majority of the unfair and regressive measures in the Budget of February, we should not allow the Conservative Government to get the authority to borrow sought by this Bill, because it will only use it to carry forward economic policies which have already been demonstrated to be unfair and heartless to middle income Canadians. We should reject the Budget of last February and we should

reject this Bill which is so closely linked to it in its unfairness and regressive impact on middle and lower income Canadians.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to comment on the Borrowing Authority Bill, particularly because it was brought before us last week, as was the Nielsen Task Force Report, presented by the Government as one of the means by which it intends to counter the deficit and bring down Government spending. I wish to comment on that because of a couple of things which concern many Members of the House and people across the country as well.

One of these things is a matter which touches on the credibility of all of us. I speak specifically of the fact that all of us participated in the election campaign of 1984 and perhaps in previous election campaigns. We made promises. When I and members of my Party make promises we do so with the intention of keeping those promises. But when the Nielsen Task Force Report came out last week we found that it contained many options and recommendations which directly conflicted with promises that were made by the Progressive Conservatives when they were running for office in 1984.

● (1130)

We asked in the House whether the Government would be prepared simply to announce or indicate that options put forward by the task force which conflicted with Conservative promises would not be put on the table or would not be proceeded with. We asked that because we wanted to try to find out the worth of a Conservative promise. We are greatly concerned about the speed and the degree to which the Government has appeared to have forgotten promises which it made in 1984; in fact, it has gone directly against them. Unfortunately, rather than saying that it understood our concerns and that any options which conflict with announced Conservative policy would not be proceeded with, the Government remained silent. The Deputy Prime Minister (Mr. Nielsen) indicated that everything was on the table, that all these matters would go before the parliamentary committee which would consider the various recommendations of the Nielsen report. This means that the Conservatives, no matter what they promised in 1984 to gain power, are prepared to throw it away and think that the Nielsen task force has a better idea.

I raise this almost as a matter of privilege. When a Government breaks promises, as blatantly and as wantonly as has this Government, when it indicates that any promise is up for grabs if a bunch of outside, non-elected experts from the private sector and from Government think they have a better idea, it puts into jeopardy the credibility of promises made by any politician. Also it leaves the public increasingly up in the air and increasingly cynical about politics. People are justified in thinking that when they elect a Government, they give it a mandate to do certain things or not to do certain things. If the Party for which they vote makes particular promises, they are justified in feeling there is a good chance that the promises will be fulfilled. The electorate is realistic enough to realize that circumstances change and that perhaps some promises cannot be fulfilled. However, it is reasonable for them to feel that for