

means that people who can afford to pay the most get taxed the most. It means that the higher the income, the larger percentage of it is paid in taxation. Rather than that, the Budget imposed more sales taxes, and sales taxes are regressive.

There is no difference between the amount paid in sales tax on a loaf of bread if one makes \$1 million per year or is on welfare. We pay exactly the same amount of sales tax on any given item. The sales tax is a regressive tax. In both this Budget and the previous Budget, the Government increased the sales taxes, and that means that everyone has to pay it regardless of ability. The sales taxes and the excise taxes are paid equally by welfare recipients and millionaires, and that is a regressive tax. That is not a fair tax move.

Excise taxes are also regressive for the same reason. The rate at which those taxes are paid is the same for a person making very little money or a person making great deal of money. Income taxes are supposed to be progressive. Government Members are out there selling the fairy tale about equal taxes and fairer taxation. However, we realize that those in the higher income tax brackets will not have to pay as much. The best example of that would be the fact that a 3 per cent surtax was placed on everyone in the last Budget. At the end of the year the 5 per cent tax placed upon those with incomes of over \$40,000 will be removed. The people in the \$40,000 and over bracket will actually receive a reduction in the area of straight income tax because they will be required to pay the 3 per cent surtax rather than the 5 per cent. When the Government included the 5 per cent provision in the last Budget, it was a progressive movement, but it has been eliminated in the present Budget. Although many of the provisions do not appear to be regressive on the surface, they actually are. If one receives income from a source other than salary, one has the benefit of tax breaks which are not available to salary earners. Although it has been indicated that tax breaks are acceptable and worth while, the increase in the RRSP level and the capital gain for speculative increases are not progressive. In fact, they are regressive in the sense that they are breaks available to people who have the money with which to speculate and make money from that process, or to people who have income from dividends and are able to afford increased RRSPs. The middle-income person is quite happy if he can make use of the \$5,000 which he can have in pension and in RRSPs, but he does not have money available to make use of the higher levels of RRSPs and does not receive that break.

● (1600)

We see a theme running through the two most recent Budgets, that if one makes more money, one pays less taxes. Unfortunately that theme appears in the Nielsen reports. The Government thinks that if its investments in services which should be available to Canadians do not have some return of money—and I am not referring to some return of service to the community or the people—it should not spend those funds. We find themes running through the task force reports which indicate that persons with the higher incomes pay the lower taxes; that if persons need services, they should pay for them;

Borrowing Authority Act

and if a service does not bring back something to the Treasury, it should be eliminated because it does not provide that return on the investment.

Earlier today I spoke about the Government being out there trying to sell a fairy tale about it having done so much for farmers. I went home last weekend and saw that the actions being taken by the Government are reducing the ability of farmers to continue to produce and to survive. Every necessary input cost faced by farmers who want to seed in the spring has been increased from at least 2 per cent to 5 per cent as a result of the taxes in the last Budget. The system being as it is, a 2 per cent taxation increase ends up being a considerably larger increase by the time it reaches consumers. That is the kind of theme which follows through the Budget and therefore suggests to me, as well as to the people of Canada, that perhaps the Government does not need the money it has and should improve the tax system so that it will receive more money for the effort it is making.

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, today we have before us another borrowing Bill. It contains at least three paragraphs and will cost the Canadian public \$22.6 billion.

We have heard much about the so-called tremendous increase in employment which the Government has brought about. I should like to say a word about it because the Government uses figures which do not make sense. The Prime Minister (Mr. Mulroney) travels across the country and uses the figure of 580,000 for the number of new jobs created in Canada. At the same time there is a trend to part-time and temporary work, a trend which is increasing at a phenomenal rate. As was mentioned before in the House, Statistics Canada counts a person as employed if he or she works one hour or more in the target week of its survey. The increase in the employment figures includes those part-time jobs. When the Prime Minister stands in the House of Commons, travels across Canada, attends conventions in Montreal and brags about the 580,000 jobs created by his Government, he is talking about people who work one hour a week, two hours a week or half a dozen hours a week. To him that is the way Canadians should live. The definition of part-time employment as far as the Government and Statistics Canada are concerned is employment of one hour to 29 hours of work per week; that is their definition. The average hours worked per week by part-time workers amount to 14.8 hours. That brings in a tremendous income! I suppose it is the Conservative Government's idea of employed Canadians. Part-time employment has risen from 11.19 per cent of those employed in December, 1975, to approximately 20 per cent, as admitted by the Minister of Finance (Mr. Wilson) on February 7, 1986. For women there was a 27 per cent increase up to January 1986 in part-time employment. Approximately 18.4 per cent of all new employment since September 1984 has been part-time. That is what the Prime Minister is bragging about. Yet he stands up and tries to convince the Canadian public that he is creating full-time jobs.