

The Budget—Ms. McLaughlin

• (1550)

On the other hand, the question of a surtax for all Canadians is an interesting one and is an illustration of the Government's inability to keep its promises. When the surtax was imposed on income, we were told that the general national sales tax would replace the surtax. Now we are being told that it will not replace it. The surtax will stay on. I suppose one might say that we were naive and wanted to believe that a certain tax measure that was imposed might at some point be withdrawn, but clearly the Government has gone back on this promise.

In addition, Canadians, through other attacks on social programs, will be paying more. Unemployment insurance is a good example with a 15 per cent hike in premiums, premiums that are now to be paid by the employer and the employee. All of these tax measures, and we are not yet talking about the sales tax but the increase in gasoline taxes, the increase in fuel taxes, the telephone communications tax, the increase in excise taxes, will mean a decrease of well over \$700 per year for Canadian families.

Sales and excise taxes have also gone up. Again, we are told that when the national sales tax comes in, the manufacturers' sales tax will no longer be in place. That tax has gone up from 12 per cent to 13.4 per cent. Even at that level, more is being paid.

When we add on the new sales and excise tax, a regressive form of tax which hits low-income earners as well as high-income earners, we see that taxes have climbed 62.4 per cent between 1984 and 1988. When we add on the new sales and excise taxes, consumption taxes, those hidden taxes, it will have increased an astounding 171 per cent since the Government came to power. Support this budgetary policy? Hardly.

These kinds of taxes affect northerners more severely. First, the cost of living is about 30 per cent to 50 per cent higher depending upon where one lives in the Yukon or Northwest Territories. All of these measures will have an exponentially higher effect on the taxpayers of the area and on the cost of living in the area. Clearly, this will lead to an inflationary cost of living for northerners.

Some measures such as the sales tax credit have been built into the Budget. However, those will not address the issues of the majority of northerners. Because of the higher cost of living, many people are already making higher salaries so the sales tax credit will not kick in at the level that really is the poverty level in a place like the Yukon. As well, the claw-back of old age security and

family allowances will have a similar effect on the cost of living in the North.

Earlier, I mentioned unemployment insurance and the effect this budgetary policy will have on the development of regional economies. Unemployment insurance will cost Yukon employers and employees approximately \$2 million a year, or \$65 for every man, woman and child in the Yukon. That is an insupportable cost to enhance business development.

At the same time, the Government went back on its promise to institute a national child care program. This will have very severe effects for all Canadians, not just those in the regions. We will have a very short-term gain but very long-term pain if we do not care about our children now, if we do not provide the resources our children deserve so that they will become productive citizens themselves.

An Hon. Member: An investment in the future.

Ms. McLaughlin: My colleague says that it is an investment in the future and he is absolutely right. It is an investment in education, child care and health. The Budget is saying that that is not an investment, we should cut back on that. However, that is an investment in the future. We are not simply looking for a short-term gain. We are looking to build a nation for the future.

Finally, I would like to say a word on the national sales tax which is to be instituted, it appears, without the co-operation of the provinces at this point. Even such organizations as the Canadian Federation of Small Business have pointed out what a severe handicap this will be for many of the small businesses which exist in my riding. They will find the bookkeeping involved in collecting these taxes extremely expensive as well as an added burden. What about music teachers who give music lessons in their homes? We will make Canada a nation not only of taxpayers but of tax collectors. We will all be running around trying to figure out how to collect taxes when we provide a service such as teaching music.

I am particularly concerned that national conservation and alternate energy initiatives will be phased out by 1990-91. How can the Government say that it is concerned about the environment when Government support for the development of alternate energy sources will be phased out? We held an emergency debate during which many Hon. Members from all sides of the House spoke of their concerns over the oil spill in Valdez, Alaska, and its environmental consequences. What is the