

*The Budget—Right Hon. Mr. Turner*

Commentators may say that the Minister was treading water with his Budget, but with the extra burden he has already placed on the Canadian taxpayer during his last two Budgets, thousands of Canadians are literally drowning in taxes. The Government simply does not care. The taxes brought in in the last two Budgets are automatically imposed every year. The country is on an escalator. Taxes will go up year after year without any public announcement, any public debate, or any parliamentary discussion.

*[Translation]*

For example, the indexation which protects all Canadians by guaranteeing that tax deductions and tax brackets are geared to the inflation rate has been limited just in case the annual inflation rate might exceed 3 per cent. Such underhand and clandestine de-indexation represents the most massive and heavy tax increase in Canada's history. It will cost Canadians billions of dollars.

*[English]*

Sneaky, hidden, silent and automatic. Rather than an up-front progressive approach, the Government chose to increase the sales tax also. On Wednesday the Minister said in the House, as reported at page 3578 of *Hansard*:

The federal sales tax is unfair and inefficient. It is a silent killer of jobs.

Why did he increase that tax not once, twice, but three times since he came to office? When the Tory Government came to power the sales tax in this country was 9 per cent. It is now 12 per cent. Furthermore, the Government broadened the base of the tax, putting the burden on even more products. It is a regressive tax which hits hardest on those who can afford it the least; low and middle-income Canadians.

*[Translation]*

The sales tax is practically invisible. In his previous Budget statement the Minister had said that this Budget would be hard but fair. To him, it means being hard on low and middle income Canadians, and fair with well-to-do people.

In this Budget the Minister goes as far as raising the price of snack foods given to children.

The Government also increased the tax on gasoline, Mr. Speaker, and this after promising that it would never do such a thing. The gas tax went up 2 per cent a litre in 1985, one cent more in January this year, and yet another cent in this Budget. In other words, working people will have to spend more just to get to work.

● (1240)

*[English]*

These gas tax increases, since the Minister took office, work out, coincidentally, to 18 cents a gallon. The only person in this place who could be happy about that 18 cents a gallon is the Minister's predecessor in the Government of the Right Hon. Member for Yellowhead (Mr. Clark), the now Minister of Transport (Mr. Crosbie), "Mr. T." as he is known throughout the Atlantic Provinces. It took a long time to get back to that

18 cents but the Minister of Finance has done it for him. Boy, he must be feeling proud.

Again, those who can afford it least, get hit the hardest, making it more expensive for those fortunate enough to have a job to get to that job.

*[Translation]*

The Minister is talking about imposing a business transfer tax, which means he would extend this regressive tax to services, and making sure the Government would collect billions of dollars in additional revenues at the expense of people who can least afford to pay.

Ever since this Government took office, indirect taxes have risen by 25.2 per cent in 1985-86, by 25.6 per cent in 1986-87, and they will be up by another 8.6 per cent in 1987-88—all told 70.8 per cent in less than three years.

*[English]*

These are invisible taxes which consumers do not see, just pay. In 1986 Canada had the worst inflation record of all the G-7 countries except Italy. The reason for at least half that 4.2 per cent inflation rate was due to the sales tax and excise tax increases by this Government. Even more serious, the Government has gone out of its way to widen the gap between the rich and the poor. It is a gap which has been growing under this Government and which has resulted in the unparalleled growth of soup kitchens and food-banks. Men and women are forced to publicly stand in line in our major cities to get a package of food for themselves and their children. They face that humiliation and there was not a line, not a dollar, in this Budget either to promote joint funding with the provinces or to eliminate the need for food-banks in Canada. If it were not for our churches and volunteer agencies, thousands of Canadians would be starving in the large cities of Canada. This is a disgrace for the country, and the Government is responding inadequately and in a way which makes me ashamed to sit as an Hon. Member of this House.

I have illustrated the figures which show that the gap between the rich and the poor is being enlarged by the taxation policy of the Government, but there is also a widening gap between the have and have-not regions of Canada. Let us look at the impact the Government has had on the disadvantaged regions. That was another of the Prime Minister's "Holy Grails". Dare I say the words "sacred trust"? It was to be enshrined in stone that there would be equality of opportunity no matter where one lived in Canada. There would be equal treatment and equal opportunities. But what did the economically depressed regions of this country get in this Budget? How does the word "zero" sound to you, Mr. Speaker?

The recovery from the 1981-82 recession was slower in the regions than it was in central Canada. While the Minister boasts of recovery, the statistics are hollow because the recovery has been unevenly shared. Unemployment rates in Atlantic Canada, in rural Quebec, in northern Ontario, in Alberta, British Columbia and in the Territories, are unacceptably high. In fact, as my colleague, the Hon. Member for