

Since 1983 budget forecasts have predicted further shifts in the tax burden toward individuals and away from corporations, in spite of the fact that individual incomes have either been shrinking below the rate of inflation or barely keeping pace, while corporate profits have been rising. This Budget projects that personal incomes will rise by only 19.7 per cent between 1984 and 1986 while corporate profits will grow by over 49 per cent. Taxes on individuals are projected to go up by over \$1 billion in 1986 and to drop by over \$500 million for corporations.

I think I have proved that while individuals are paying more and more, those better able to pay are paying less and less. We know, for example, for the 1983 tax year that 1,020 people with incomes over \$100,000 paid no income tax, an increase of 33 per cent in those who paid no income tax in 1982. There has been no hurry on the part of the Minister of Finance to plug those kinds of loopholes, despite the fact that during the election campaign the Prime Minister agreed those loopholes should be plugged and that all Canadians should pay a fair share of the taxes required to finance the services which the Government provides.

Let me deal for a few moments with the particular Bill before us now, which proposes sharp increases in sales taxes paid by Canadians. The National Council of Welfare in its May 1985 report called "Giving and Taking: The May 1985 Budget and the Poor" said this about the increase in sales tax:

Sales taxes are regressive, which means they take up a larger proportion of the income of low income consumers. The Budget will add hundreds of dollars in federal sales tax increases for most Canadians. Poor people—welfare recipients, the working poor, low income pensioners—obviously can least afford them. The Canadian Council on Social Development has estimated that sales tax, gasoline, alcohol and cigarette tax hikes will amount to increases of \$140 for a \$15,000 couple with two children in 1990, \$282 for the same couple with \$20,000 and \$361 for a couple with \$40,000.

They also pointed out that for the fourth year in a row, poverty has increased in Canada. The number of men, women and children living on low incomes, has now risen over four million. That is almost 18 per cent of the population. The number of children under 16 years of age living on low incomes has risen steadily each year. It is now estimated to be 1.2 million, or one child in five is poor. Fifty per cent of single-parent families, most of which are headed by women, are living in poverty. That situation is a disgrace in a country as wealthy as Canada. Newspapers from one end of the country to the other have reported in some considerable detail the kinds of situations which exist.

● (1640)

I have talked on other occasions about the City of Winnipeg and the sharp increase in the number of people who depend upon charity and voluntary organizations for food baskets. Let me put on the record just a couple of illustrations from other cities. The following was reported in *The Globe and Mail* about a week ago:

In the past few months, the four-year old Edmonton Food Bank, which has served as a model for many similar organizations in Canada and Europe, has provided free food for about 30,000 of the city's 650,000 citizens.

Excise Tax Act

It went on to quote some actual cases. For example, a single 38-year old Edmonton mother of two teenage children earning \$585 per month from part-time work in a cafeteria was ineligible for partial assistance from the Alberta Social Services Ministry because she earned more than \$549 per month. She has to depend upon charity. She has to go to the Edmonton Food Bank. Also a story in *The Toronto Star* quoted the head of the Metro Salvation Army, Mr. Bobbitt, as saying:

Up to 600 new cases a month of people needing food and help, people who have never before been to social agencies—

At the Scott Mission—traditionally, a soup kitchen for transients—the numbers of families seeking food soared by 33 per cent from 1982 to 1985—

It went on to indicate:

One small Bloor-Christie area food depot that mostly sees single street drifters and roomers feeds 1,200 people a month and expects to feed 1,500 by winter.

It may come as a shock to the Minister of Finance who told Hon. Members of the House yesterday that the way to help the poor was to find them jobs, that the majority of low-income people and families in Canada already have jobs. Their jobs pay so little that they have to depend upon charity to supplement their income to meet their needs. It is a disgrace. It indicates that the system is breaking down. After all the new programs which have been implemented in the last 30 years, people now have to depend upon charities.

We say that taxing the poor and the sick is not the way of a caring or compassionate Government. That is what the Government is doing, in addition to hurting those least able to fend for themselves, when it presents this Bill. It goes far beyond abstractions about the deficit; it is very real in every day life where each nickel is counted before any purchase is made.

The Government has brought in this Bill. We think it is wrong. It hits people who can least afford to pay the increased costs proposed in it. We intend to vote against it and to oppose it here in the House and outside.

Mr. Blenkarn: Mr. Speaker, I was wondering whether the Hon. Member had an opportunity to analyse the Government's statement of financial operations for the period in this fiscal year ending July. If he has, he will note that at the present time, despite a reduction in expenditures in almost every Department, except those Departments involved in the statutory payments of pensions to individuals, payments for post-secondary education or something of that nature, the Government's expenditure or deficit is up by \$200 million strictly because of the interest on the public debt. At one point the interest on the public debt was \$3 billion in four months. Is the Hon. Member suggesting that we should continue to borrow more and more money? Is he suggesting that it is good fiscal policy to take 63 cents out of every \$1 spent in taxes and then to borrow the other 37 cents? Would he have us borrow more? Would he have us increase the debt and increase the interest expense? Does he have any definite suggestions as to how we can come to grips with this problem?

Mr. Orlikow: It is my belief—and that belief is shared by many people, economists and other experts in the field of financial administration—that the deficit we face is not caused