

The Budget—Mr. Elzinga

corrupt. I have sensed a real wave of hope right from Prince Edward Island to British Columbia. That hope is directed at our Party because of the outstanding job the Leader of the Opposition has done and the outstanding way he has conducted himself in the House of Commons, even though there have been loads of sleaze thrown at him from Members opposite. He has shown sensitivity to the people of this country.

We on this side await an unprecedented opportunity not only to form the next Government but to move this country to its full potential. We hope we have this opportunity soon because we do have a great country, but we have a rotten Government. Our country is great because of the uncommon sense of sacrifice and commitment of ordinary people; their pride in their family, sense of community, respect for tradition and attachment to their regions. These are qualities of which great nations are built. These are qualities of which Canada is built.

I ask Canadians to remember one very important thing: A vote for the New Democratic Party is a vote for Mr. Trudeau and the Liberal Party. If you vote for the NDP, 10 times out of 10 you are going to get Pierre Elliott Trudeau. All one has to do is to look at the major issues we have debated in this Chamber, issues relating to energy and the constitutional debate, and then examine the defeat of our Government in 1979.

● (1650)

Mr. Keeper: You defeated yourselves. The people defeated you, and they will do it again.

Mr. Elzinga: That was on a motion by the New Democratic Party. The Liberal Party and the New Democratic Party held hands. They are sleeping together, and when the covers are pulled back they have a pillow fight, but when nobody is watching they pull the sheets over their heads.

Mr. Fisher: What you are saying is obscene.

Mr. Elzinga: My friend will have the opportunity to speak in a moment, if he wishes. I see the Hon. Member and cannot recall his constituency, but on a consistent basis he makes more speeches from his seat in the House of Commons than on his feet. We look forward to his participation later. If he does have any questions I will be more than happy to address myself to them.

Mr. Fisher: I have more interjections than the Leader of the Opposition (Mr. Mulroney) has speeches.

Mr. Elzinga: Mr. Speaker, the Budget of February 15 contained no major tax increases. It did not have to because the Budget which was introduced by this administration in April of 1983 covered all those tax increases, the majority of which are delayed. Many of these changes and extra charges are hidden. I would like to review a summary of those hidden changes.

I would like to look at the special recovery tax which was introduced in April of 1983. The federal sales tax will be

increased by one percentage point for the period from October 1, 1984 to December 31, 1988. The new rates will be 6 per cent on construction materials compared to 5 per cent. The rate on alcoholic beverages and tobacco will be 13 per cent instead of 12 per cent, and 10 per cent instead of 9 per cent on all other taxable goods.

With regard to the federal tax reduction, the federal Government does not collect the first \$200 of federal taxes payable. This tax break is being significantly cut. In 1985 the maximum tax reduction will be reduced to \$100, and in 1986 and subsequent years to \$50. In the case of those who pay federal taxes of more than \$6,000, the tax reduction will be phased out completely starting in 1984. This will affect those with incomes in excess of \$39,000. The phase-out formula will be 10 per cent of any basic federal tax in excess of \$6,000. Thus, if your federal taxes payable are \$6,100, your federal tax reduction will be reduced by 10 per cent of \$100 or \$10. The \$100 standard deduction is eliminated starting in the 1984 tax year, with receipts now required for all charitable and medical deductions.

The income threshold by which the Child Tax Credit is reduced by 5 per cent for every \$100 of household income will be deindexed at the 1982 level of \$26,330. As incomes rise with inflation this will mean that fewer and fewer people will qualify.

The tax exemption for children and other dependants under 18 years of age has been deindexed at the 1983 level of \$710 for 1984 and subsequent years. This is a hidden increase in taxes. The effect will grow over time as the gap between what the exemption would have been and where it is frozen widens. It will increase taxes for a typical taxpayer by only \$11 in 1984 but by \$59 in 1988.

The Canadian Ownership Special Charge is a tax of 4 cents a gallon. It was originally imposed as a temporary tax to pay for the purchase of Petrofina by Petro-Canada. It has been extended as a permanent revenue tax.

I would like to speak about unemployment insurance premiums. Details about this are buried in the Budget documents. Employment premium rates will rise from 2.3 per cent of insurable earnings in 1983-84, to 2.35 per cent in 1985, and then to 2.65 per cent in 1986 before falling to 2.15 per cent in 1987. In 1982, the rate was 1.8 per cent. The employer rate is 1.4 times the employee rate.

I see my time is up, Mr. Speaker. I thank Hon. Members for this opportunity to participate in this very meaningful debate.

Mr. Keeper: Mr. Speaker, I would like to ask a question of the Member who has just finished speaking. He said a vote for the NDP is a vote for the Liberals. Is the Member aware that in the House the Conservative Party votes with the Liberal Party many more times than does the New Democratic Party? How does he explain those facts in the face of his assertions?

Mr. Elzinga: Mr. Speaker, I will return the question to the Hon. Member and ask him where his Party stood on the constitutional debate and the energy debate, and how his Party