

The Budget—Mr. Crosbie

the NDP to study that article because what does the article conclude after examining my budget and all the budgets of the 1970s? It says this:

The defeated Conservative budget was more progressive than any budget introduced by Liberal governments over the past ten years.

That is for openers.

Ironically, Crosbie's budget was, as will become evident, by far the most progressive of three budgets under consideration—

Those include the budgets of the present Minister of Justice (Mr. Chrétien). It says:

The Crosbie budget was highly redistributive. Whereas the benefit rate for the lowest income group was plus 3.3 per cent, the benefit rate declined steadily to minus 5.0 per cent in the middle income group where it reached a plateau.

● (1550)

In other words, the Crosbie budget was far better for lower income Canadians than it was for middle and higher income Canadians.

Some hon. Members: Hear, hear!

Mr. Crosbie: Listen to this from an earlier study by Mr. Gillespie:

—the empirical evidence demonstrates that the federal government has not improved the net economic position of the poor relative to the highest income families during the 1970s.

A few sentences later it reads:

The evidence suggests, however, that the PC budget brought down in December of 1979 would have been strongly progressive.

In other words, the Liberal budgets in the 1970s were regressive and did nothing to improve the net economic position of the poor, relative to higher income families. Our budget, which was defeated by the NDP and by the gentlemen opposite, was progressive and, in effect, started to redress the bias of the Liberal party in favour of middle and higher income Canadians. The NDP needs to start some instant analysis and to learn what is good and what is bad.

An hon. Member: We do not need a lecture from you.

Mr. Crosbie: You need a lecture, my friend, because you put us out and now you have this budget to contend with.

Some hon. Members: Hear, hear!

Mr. Crosbie: By the way, Mr. Speaker, I am not interested in lecturing the NDP. What is the point of wasting words on the NDP? They will not learn. They will neither see nor learn nor listen. They just go on in the same foolish way, and now they are part of the Liberal caucus. They are the little red rump of the Liberal caucus.

Some hon. Members: Hear, hear!

Mr. Crosbie: This is probably too complicated for the NDP to understand. I do not know whether they would even read the article.

Let me go on with the article. It reads:

The December 1979 budget brought down by John Crosbie was a complete contrast.

To those Liberal budgets.

It was a highly deflationary budget increasing average family taxes by \$418. Although the impact would have been greatest on upper income earners, the effects reached back through the middle classes and would have meant a substantial reduction in the disposable incomes of the upwardly mobile urban middle class constituency in southern Ontario. . . . Surprisingly, even without the benefit of the refundable energy tax credit, the poorest class would have gained in absolute terms from the Crosbie budget.

Inspection of Panel B reveals that the Crosbie budget was highly redistributive.

I could go on and on. Further on it reads:

Second, the empirical results suggest that Crosbie's 1979 budget would have had a surprisingly progressive impact on incomes . . . it would have produced an important shift of the tax burden from poor and lower middle-income earners to the middle and highest income earners.

This is the budget that the NDP defeated, they who parade in the House as supporters of the poor and lower middle-income earners. Here was a budget that was going to produce an important shift in the tax burden from the poor and lower income earners to the middle and highest income earners, which they stood up to defeat. Every one of them voted with the Liberal opposition to defeat that budget. That shows how smart and astute they are. So much for the NDP.

Some hon. Members: Hear, hear!

Mr. Crosbie: Let us come to the points on energy in this budget. I will not deal with them in detail because our energy critic and other experts will deal with them later. But let us just look at this issue as it stands today. We did nothing to tax heating oil in Canada. Our tax was an excise tax on gasoline. We tried to induce conservation, particularly with reference to transportation. There was no excise tax on heating oil or natural gas, which is used very heavily in western Canada, British Columbia and western Ontario. There was no attempt to tax heating oil, and the effect on heating oil from the increase in the price of oil which we were allowing would certainly have been met by the energy tax credit.

But in this budget there is tax increase after tax increase on heating oil. There is the petroleum compensation charge, which amounts to 80 cents this year and will be \$2.50 a barrel next year. That will be a tax on every product that comes out of a barrel of oil. It includes transportation fuels, diesel oil for the farmers, heating oil, and all petrochemical products, such as fertilizer and so on. That is what that petroleum compensation charge will be. It will be 80 cents a barrel until the end of December this year, or for two months, but in January it will go up to \$2.50. It will mean more inflation, but it hits heating oil in particular. It is far more regressive than the excise tax we proposed.

Then we have a new natural gas tax amounting to 30 cents a 1,000 cubic feet, and it will go up in 15 cent increments. It will cost \$1,300 million in 1981-82. I do not have the figures at the moment to show how much of that might be from export sales, but by far the largest proportion of that \$1,300 million will