

*Supply*

**Mr. Turner (Halton—Peel):** Capital cost allowance. He doesn't understand.

**Mr. Stupich:** Mr. Speaker, that is next on the list. Capital cost allowance, hastening the rate at which they can write off capital investments. It is another dodge. It is another way of handing to those who need it.

Unless you are going to pay income tax, you do not need to increase your CCA. You do not need a higher capital cost allowance unless you are in an income tax bracket already.

Sure it lowers an expense for those who do not need the help. That is the point I am trying to make. They are helping the ones who do not need the help and they are not helping, indeed they are hurting, the ones who do need the help. That is what is wrong with this budget and that is what has been wrong with every budget since the Tories were elected in 1984.

I can recall a federal member of Parliament decades ago, a CCF member who never lived long enough to become a New Democrat member. He used to argue then and he argued in the House of Commons: You want to improve the economy. We talked earlier about exports. The second feature is to put more money in the pockets of people who are going to spend it. If you did give more to the people at the bottom levels, they are not going to go on holidays. They are not going to invest it in an opportunity outside Canada. They are going to spend it here in Canada. They are going to put that money to work within our own country and put people to work by putting that money to work.

There are ways. The Minister of Finance who was clever enough to put us into the first made in Canada recession ever knew how he did it. He did it by keeping the dollar high and by having high interest rates that go together. He is trying to reverse it now but not quite enough. It is not the same person, but the same government. He does not have quite enough nerve to do it fast enough.

For a while they thought they made a mistake. They thought they were coming down too fast. They have been so frightened ever since at having made one small mistake that they are extremely cautious, cautious to the point that there really are no signs that we are recovering from the depression we are currently in.

In this budget the federal government also reduced the income tax. That is great. It was across the board, it

helped everybody. Some of the people in the lowest brackets, the ones who are paying income tax, are ahead as much as \$14 a year. There are others who are ahead \$1,000 a year. If they turned it around and gave that \$1,000 to the poorest and the \$14 to the highest income people, it would have done some good.

• (2030 )

The ones at the top do not need that extra money to spend. They are not going to spend it here anyway. They are already eating and drinking as much as they want. They are using the consumer goods to the extent they want. They can afford it. The people at the bottom are not. Even that income tax reduction was at the wrong level.

The government was very critical of some of the provinces for the problems they had. It cut back on the increase in transfer payments and led those provinces into the problems they now have.

**An hon. member:** He is not worth listening to.

**Mr. Stupich:** I do not know whether the hon. member has spoken in this debate.

**An hon. member:** Transfer payments are going up.

[*Translation*]

**The Acting Speaker (Mr. Tremblay (Québec—Est)):** I would ask the hon. member to always address his remarks to the Chair. I must also tell him that in a few minutes, during the period for questions and comments, he will have plenty of opportunity to ask questions and to comment. I give the floor to the hon. member for Nanaimo—Cowichan.

[*English*]

**Mr. Stupich:** The member is listening but not quite sharply enough. What I said was not cutting back in transfer payments but cutting back at the rate transfer payments were increasing. There is a difference.

**An hon. member:** They do not know the difference.

**Mr. Stupich:** If he wants to listen to me and criticize or comment, then he has to listen a bit more carefully than he has been to this point.

The provinces have a problem, there is no question about it. They depend to a large extent on the transfer payments, the moneys they get from the federal government. All of the provinces get some and they all depend on it.