

This legislation and many other proposals put forward by this government prove to me that the Prime Minister (Mr. Trudeau) and this government are strong believers and followers of Lenin. In support of this statement, let me once again emphasize Lenin's words that the way to destroy the middle class is to crush it between the grindstones of taxation and inflation. That is just what we find this Liberal administration doing. We now have a modern Lenin in our Prime Minister. Most people living in my part of Canada have settled there to escape this philosophy. That is the simple reason there is so much opposition to the Liberal party and its proposals in western Canada.

**Mr. Max Saltzman (Waterloo-Cambridge):** Mr. Speaker, before commencing my remarks it is necessary for me, as a lifelong observer of socialist behaviour, to exonerate the Minister of Finance (Mr. Turner) from the charge of possessing any tendencies in that direction. Whatever his faults or virtues may be, being a socialist would be right at the bottom of the list.

In looking at this budget and every budget that I have seen, there is always a problem for the opposition in the sense that no budget is totally without merit and sometimes the opposition finds it a little difficult to exercise its traditional role of opposing when it is faced with certain budgets. However, fortunately or unfortunately, this budget does not present any problem for any member of the opposition, or perhaps even for any member of the government. With one exception, it is worthless; criticism comes very easily and any criticism that is made is almost totally justified. The only measure of merit in the budget is that people holding Canadian annuities who are getting 3.5 per cent to 4 per cent on them will receive an increase. Once you have said that there is nothing further that can be said in praise of the budget.

To the extent that it is possible to even feel sorry for the Minister of Finance—and I think sorrow, regret and pity are misplaced with regard to the Minister of Finance of this country—it is possible to feel compassion for the minister in this case. He has been handed the thankless job of trying to do a patch job on a house which is rocking; trying to prop up a whole set of economic policies which are stupid and unworkable. This cannot be done with a budget, particularly this budget.

The minister is of the view that popularity is not everything. If that is his view, then he will achieve his objective; he will certainly not be very popular after this budget. Sometimes when one sees the behaviour of the federal Liberals, one thinks they still believe Mitch Hepburn is alive in Ontario and they try to do everything they can to get the Liberals in Ontario defeated. I think they have succeeded. Mitch Hepburn's ghost may still be there and it will certainly influence the next election.

When the Minister of Finance, whom I understand has some leadership ambitions for his party, goes to the convention, I think one of the people on whose support he should not count is Mr. Robert Nixon, the leader of the party in Ontario, and a whole batch of delegates from that province. He may even have difficulty with some of the delegates from Manitoba. I understand that two by-elections took place there in which the Liberal candidates attributed their defeat to the budget before us. The Minister of Finance seems to have adopted a school of thought

#### *Excise Tax Act*

which believes that, election years excepted, for something to be good it must hurt. This makes him feel very noble.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** It depends on whom it hurts.

**Mr. Saltzman:** I think the minister should understand that there are things which hurt that are not noble, uplifting or good for anybody; they are simply foolish and a form of self-flagellation. Instead of a moral uplift, all you wind up with is a whole bunch of welts on the body.

We are all interested in conservation. The minister, in again bringing forward the idea that the excise tax is an exercise in conservation, is misleading the public, especially when he talks about energy. People want to conserve energy, there is no question about that, but this is not a conservation proposal. By bringing in this excise tax, we will not conserve energy in this country. The minister himself recognizes this by granting all kinds of exemptions to business, to charitable organizations, to farmers, and so on. In fact, what he is doing is giving an exemption to every kind of organized group able to protest. The ones whom he is not exempting are the consumers who have no way of protesting, particularly in years that are not election years.

There are many ways in which conservation could be carried out, but the minister's proposals are probably the worst and the most unworkable. This is not a conservation proposal at all; it is a way of raising tax revenues and of trying to cover up the fact that the minister badly miscalculated the revenues he was going to receive. Now he uses the guise of conservation to raise revenues, and he is raising them from the wrong people. About the only thing the government seems to be conserving with this measure is the use of its brains; it is certainly hiding them and not making any use of them.

● (1600)

When it comes to raising revenue on oil, the government has provided itself with a way of raising it either coming or going. Until very recently, in an effort to equalize oil and gas prices across Canada the government relied almost entirely on the export tax; the revenue from the export tax was sufficient to ensure that the price would be equalized across the country. Now we have correctly decided that we cannot continue to export at the rate we have exported in the past, and therefore that revenue is diminished. The government brought in a measure which would disallow royalty payments paid to provincial governments before federal taxes, and by doing so it vastly increased its potential to raise federal revenue. So in fact the government was going to receive increased revenue through these measures and it was criticized by the provinces for taking this tax. It was in a position to finance the equalization of gasoline taxes. But that did not seem to suit the purposes of the government.

Where did the government go wrong? The give-away program of the government was so generous that tax revenues to the federal government from corporations declined dramatically. Over the year, the government anticipated that its revenue from corporate tax would be in the neighbourhood of \$5 billion. Instead, that figure had