

Mr. Gervais: I have always been proud to be a Canadian. When the Budget becomes law, I will be especially proud to have played some small part in bringing it about by speaking here today.

The Acting Speaker (Mr. Paproski): Questions and comments? The Hon. Member for Essex-Windsor (Mr. Langdon).

Mr. Langdon: Mr. Speaker, I want to congratulate the Member on a heartfelt and carefully constructed maiden speech. I do have several comments. I do not wish to make them critical since it is the Hon. Member's maiden speech. However, I do wish to raise two or three points.

First, I want to say that our action group visited the constituency of the Hon. Member in Timmins-Chapleau. Our visit brought to us many of the same points we heard elsewhere across the country, with the same sense of urgency people have with respect to rising unemployment. Timmins itself has shown a significant increase in unemployment, unlike some other parts of the country in recent months, because of problems in the resource sector.

With respect to the position of pensioners in this Budget, is the Hon. Member prepared to recognize that they are, in fact, being hit twice? They are being asked to pay the great range of increased taxes which all other Canadians—apart from the very rich—are being asked to pay. They are being asked to pay increased sales taxes because of the 1 per cent increase in federal sales tax. They are being asked to pay increased taxes because of the extension of sales tax to other items. They will pay higher income tax because of the elimination of the \$50 deduction. They will pay other increases because of deindexation. Thus, pensioners are being asked to pay a significant share. We have estimated the figure at something in the order of \$2,000 per pensioner family over the next five years as a result of this Budget.

The question is not whether it is fair that pensioners should pay some share with respect to the sacrifices which are being borne by all Canadians. That is not the issue being debated in the House. Given the sincere presentation the Hon. Member has made, I would like to ask him if he truly thinks that it makes sense to ask for an extra burden from pensioners, an extra burden over and above the amount of tax burden which they are required to pay already. I am speaking of the extra burden which comes from the loss of indexation with respect to the 3 per cent figure.

Has the Hon. Member received letters from constituents, such as the ones I have received, pointing out one of the other major costs for people who will be retiring? I have a letter in front of me which I received today. It is from a person who is now 56 years of age and who will be ready to retire in nine years. This person has an income of \$17,000 and was able to contribute 20 per cent of his income to an RRSP. The amount of his contribution has been cut back to 18 per cent, thereby costing him the possibility of tax relief now and an improved pension in the future. This is a fact which has not been widely recognized, but one which is contained in the Budget. Does the Hon. Member recognize the fact that these extra burdens have

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been imposed on pensioners over and above the extra taxes they have to pay, along with other Canadians?

Mr. Gervais: Mr. Speaker, I would like to thank the Hon. Member for his kind words following my inaugural speech.

In reply to his question with respect to unemployment, I, too, am concerned with the high unemployment rate, not only in Timmins, and throughout my riding, but, indeed, throughout the country. It was precisely to that point I was speaking in my inaugural address and in respect of the turnaround in the economy.

We cannot sell mineral products produced in Timmins when the economy has slowed to the pace which it has since 1981. Before the recession, Timmins had no unemployment. Why? Because the oil industry was booming. All types of equipment were being built around the areas of Hamilton and Toronto for use in the oil fields. This equipment was being made out of steel and other types of minerals which come out of northern Ontario. It was being used for expansions in paper mills and sawmills. During the recession, that expansion slowed to a crawl and, consequently, there were no buyers for our products. With the turnaround in the economy this Budget will bring, I would like to tell the Hon. Member that the question of unemployment should resolve itself, not only in Timmins but throughout the country.

With respect to the point he makes concerning the hardship on pensioners, as the Minister of Finance has said so often, and as I think the Prime Minister has said on a number of occasions, the economic pain of this Budget has been spread as evenly and fairly as possible.

To illustrate my point, on the plane coming back from my constituency last Monday, I sat beside a gentleman from the banking community in Toronto. I know very well that this gentleman is the first vice-president of a mine close to Timmins and travels to and from the area on occasion. His comment was very interesting. He asked me why, after all the taxes that Canadians are required to pay, the Government placed another two surtaxes on Canadians and another tax on capital. He asked me why the banks had not been singled out.

• (1640)

It is not only the older people who will feel the pain of the legacy of the tremendous national deficit which has been left to us. That deficit must be resolved. Opposition Members have referred to the middle-income earners. Sure, they will suffer as well. Everyone will suffer. That is the way it was meant to be in the Budget.

Mr. Hawkes: Mr. Speaker, I would like to make a brief comment. The Hon. Member for Timmins-Chapleau (Mr. Gervais) made his maiden speech today. I have been in the Chamber for six years and I continue to be in awe of the new Members in the quality of their thinking and in the quality of their speeches.

Some Hon. Members: Hear, hear!