

Some Hon. Members: Hear, hear!

Mr. Rodriguez: There is no more regressive tax in any land than a sales tax because it does not take account of the ability of an individual to pay. It is a regressive tax which goes with a regressive Conservative Government. By 1990 the Government will collect \$2.6 billion more in federal sales tax. Sales tax is being slapped on candy, confections, pet food, soft drinks, health goods, surgical and dental instruments, X-ray apparatus and films, wood-burning stoves, wind deflectors, heat pumps, solar heating panels, furnaces, insulating materials, wind generators, windmills, and other such goods. Having socked it to people who were trying to save on energy through the elimination of COSP, the Government has now socked it to them through federal sales tax.

The sneaky thing about this is that the federal sales tax is rolled into the price. Therefore, the provincial sales tax is applied on the total price, including the federal sales tax. We therefore have a tax on a tax. Ten per cent will be applied on those items. In fact, it increased by 1 per cent in November and will increase by 1 per cent in January. That is a 2 per cent increase in federal sales tax in the space of one year.

This Budget emphasizes and reinforces the class structure in the country. There is no minimum tax on the rich and the wealthy escape the puff-ball attempt to implement a surtax because, if they do not pay tax, they do not pay the surtax. According to the Budget, the surtax is to take in \$550 million next year. However, on the other hand, through capital gains tax exemptions and RRSPs, it gives the wealthy \$640 million in the same year.

A report prepared by the Department of Finance indicates that the removal of the capital gains tax means that Canada will be taxing its rich much more lightly than any other industrialized country in the world. The Government is determined to redistribute the wealth in the country from the poor to the wealthy. This Budget does not deal with the most important problem facing Canada, unemployment. In our paper *Canada Unlimited*, we have targeted unemployment. The Government has failed to deal with that most pressing problem. This Budget could very well add to the deficit as well as exacerbating unemployment.

Mr. MacLellan: Mr. Speaker, I would like to comment on the Hon. Member's speech. He refers to a Robin Hood Budget. That is the quaint phraseology which the business sector used to refer to the Budget of November, 1981. As the Hon. Member says, this is different because it is taking from the poor and giving to the rich. Would the Hon. Member accept the terminology "a sheriff of Nottingham Budget"?

Mr. Rodriguez: I would certainly accept that, Mr. Speaker. I recall that the MacEachen Budget was a serious attempt to redistribute wealth from the wealthy to those who needed it. We have never heard such a howling as went up across the country. The lobbies were in full bay. The Conservatives were part of that lobby group. The MacEachen Budget was forcibly put aside. This is a Robin Hood Budget with the Prime

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Minister as Friar Tuck and the merry men of Nottingham. When the Budget was to be brought down, they were all in Europe. Phone calls were made to bring them back so that they could surround Robin Hood, Friar Tuck, and the merry men of Nottingham Forest. It was necessary to use the wide angle so that the folks across the country could see that they were indeed merry. Their merriment reached a peak when the Minister of Finance said that capital gains tax was being removed to a limit of \$500,000. They stood to a person and applauded loudly. I think that is a fair indication of the kind of Budget this is. I think they ought to be very ashamed of this Budget.

Mr. Ravis: Mr. Speaker, I grew up on a farm. We used to put blinders on horses so that the horses would not be able to see people on either side of them. It seems to me that the Member is taking that kind of approach to the Budget. You are not prepared to look at what is happening around Canada and what must happen on a broad base. Of course, if we use tunnel vision, we can pick out any particular item in the Budget and say that it has some serious negative impact. However, if you look at the over-all broad issues, it seems to me that with thousands of small business people in the country who employ one or two other people and others who would like to quit jobs now to enter into small business, there is a possibility and the opportunity for those people to run their own small business and take some initiative.

● (1230)

It seems to me that the Hon. Member for Nickel Belt (Mr. Rodriguez) is putting on blinders. He is not prepared to look at the impact of this Budget on the very small businessmen in his constituency. I have visited his constituency, and I know what kind of people live there. I ask the Hon. Member, who certainly spoke a lot about small business during the election, how he would approach the problem of trying to turn the economy around by including small business initiatives in his constituency and across the country?

Mr. Rodriguez: Mr. Speaker, the Hon. Member represents Saskatoon East. As a matter of fact, I have a letter from one of his constituents. She is a 48-year old single grandmother of seven with a small business. She wrote a letter dated May 24, 1985, to the Minister of Finance (Mr. Wilson). Let me read this letter in order to answer his impassioned plea about how the Budget helps small business:

Dear Mr. Wilson:

This is a letter about betrayal—the complete betrayal of the Canadian people by you and by your Party. Your actions since the September, 1984, election and the federal budget, have put the lie to everything you campaigned on during last summer's election campaign, while using the word "sincerity" dripping through every advertisement and speech. I knew then, and you have proven since, that this was honeyed venom.

This woman operates a small business. The letter goes on to point out how the Budget very seriously affects her business:

Until you are willing to listen to logic and reason from ordinary citizens in this country, and to make radical changes in this budget, as well as many of your other policies (not just bandaid measures), I am withdrawing completely from the payment of income tax, beginning immediately. Until you assign a decent