

**Mr. Deans:** Let me say that what I do object to is this Government, not having dealt with those who earn far more than \$40,000 a year and who pay no tax, has not found any way to have them pay the surtax either. Not only do those earning more than \$40,000 a year pay tax under normal circumstances, but they are not asked to pay the additional tax that everyone else is asked to. Who is being asked to pay? The senior citizens are being asked to pay. That is normal. That is what one gets to expect from Governments. Governments tend always to go to where it is easiest to get money. From here on senior citizens' incomes will be reduced on an annual basis. That appears to be the Government's will and wont. We will see over the course of the next few years a dramatic reduction in the purchasing capacity of the senior citizens in Canada. That is not fair, Mr. Speaker. It is not fair when measured over and against the fact that there are many others who earn considerably more who pay no tax at all. Where else did the Government go? The Government decided that it would hand out to its friends and supporters in the oil companies many billions of dollars. The Government told us at the time, although we asked over and over again, that this would not detrimentally affect the consumers of Canada.

The Minister of Energy Mines and Resources (Miss Carney) at one point went as far as to suggest that the measures, the effects that would flow from the Western Accord, would be of benefit to the consumers and she anticipated a reduction in the price at the pump.

I ask Conservative back-benchers who are here, and even the two Ministers in their seats, where oh where is the reduction at the pump? By September next this Government alone will have increased the cost of gasoline since November of last year by over 17 cents a gallon. The reason that it has been raised, of course, and you know it and I know it, Mr. Speaker, protestation notwithstanding, is to give the oil companies even more money.

Is there anyone who would rise and tell me that the oil companies were in such dire straits that it was necessary for the consuming public of Canada to consume an additional 17 cents a gallon by way of tax, that it is necessary for every single commodity that must be transported across Canada to reflect the added cost of 17 cents a gallon in tax? Is there anyone who can tell me that it was desirable to inflict further damage on small business because small business will find its products even less attractive in price as a result of having to absorb this additional 17 cents a gallon tax? This is the new regime, the new direction. You must surely recognize as I do, Mr. Speaker, that there is nothing new about that. That is how Governments have done these things since the beginning of time.

I say to my colleague here in the Liberal Party, without being unduly critical of him or his Government, that he would have to admit that the Government of which he was a part did exactly the same thing, albeit perhaps in differing amounts. Maybe it was not 17 cents at one whack, but nevertheless the Liberals did exactly the same as this Government is doing. What do we find? The average Canadian family will be asked

### *Borrowing Authority Act*

to contribute even more, yet the Government tells us that somehow that will create jobs. How, Mr. Speaker? How can it create jobs if we take out of the pockets of those who will buy an even larger part of their income? How then will they be encouraged to buy more or be encouraged to take on additional indebtedness to purchase larger items if they find themselves in a position where their income has been reduced as a result of the Government's action? How then, if they are unable to buy those things they would have purchased, will that somehow encourage the manufacturers to manufacture more? Why would the manufacturers manufacture more if fewer people are buying? Why would manufacturers manufacture more if the market-place has shrunk by yet another billion dollars in sales tax, by yet another 17 cents a gallon in gasoline tax? How will that encourage the manufacturers to manufacture more when the people who would be buying what is manufactured have less money to spend? How then will that create jobs? How many more people will be put to work in this effort to produce less? How many more people do you need working to produce less than you now produce? How many more people can we anticipate being hired by those who, out of necessity, will find that the market for their products is smaller than it was before the Government brought in its Budget and imposed the taxes?

You do not have to be an economist to understand that there is at least some logic to that argument. Let me go on a bit, Mr. Speaker. I want to deal with something even more fundamental and more important in my opinion than even that. I think that in itself is sufficient to draw into question the rationale behind the Budget. What the Government says is that if it provides the manufacturers with more money by allowing them even larger tax breaks, somehow or other that will create jobs. If it encourages those who manufacture in our society to enhance their technology, to improve computerization, to improve productivity factors, that will somehow create jobs. I ask you to consider with me, Mr. Speaker, if the manufacturers are able, by virtue of tax breaks, to replace the equipment they now have with more modern equipment capable of producing far more than the equipment it replaced, if that is true, and if, as I have said, the market has shrunk, how will that create jobs? How many more people will you need working every day of the week in order to operate a machine that will produce far more, far more efficiently, for a market that has shrunk?

I suggest to the Government in that area, notwithstanding the merit—and I will discuss the merit of improving our productive capacity—that that certainly cannot be seen to be a job-producing measure.

● (1650)

Thus, on two fronts, we have the Government talking about its measures as being measures to create new employment opportunities when, in fact, if one were to look at them objectively, one could come to no other conclusion than that the measures the Government has brought forward will reduce the necessity for even the numbers of people who are presently working in the factories and in the shops of Canada to be