

The Budget—Mr. Rae

are dead people; the only people who do not consume energy are those people who have passed on to the other side, and I am referring to that side over there.

Some hon. Members: Oh, oh!

Mr. Rae: Let me suggest to you, Mr. Speaker, that the lesson is quite simple. Mr. and Mrs. Jones are being taxed, and they are being taxed punitively. That is what this budget does.

I want to compare Mr. and Mrs. Jones to Mr. Lawyer Jones who lives in one of those celebrated tenement houses on Circular Road in St. John's, Newfoundland. The excise tax is a tax that he can afford. Has Mr. Lawyer Jones been told not to buy a bigger or fancier car? No way; no one has said that. Has there been a tax put on luxury cars which are guzzling gas? The answer is no. Is this the kind of price increase that is going to have an effect, or hurt Mr. Lawyer Jones? No, he will not feel it or, if he feels it, he will not feel it as much, and that is the definition of a regressive tax.

I was upbraided the other day by a member of the press who said that the public does not understand me when I talk about a regressive tax. A regressive tax, to put it quite simply, is a tax which hurts some people more than others, and this tax hurts the poor people, the working people and the middle-income people, far more than it hurts the lawyers, the doctors, and the accountants.

Some hon. Members: Hear, hear!

Mr. Rae: The Christmas message from St. John's West is quite simple. It is an old message; to them that hath it shall be given.

Perhaps we could put the lesson another way. If you drink, don't smoke; if you smoke, don't drive; if you drive, don't drink; if you drive, smoke and drink, don't think, because if you think you will wonder why you ever voted Conservative in the last election!

Some hon. Members: Hear, hear!

Mr. Rae: What I have said about Mr. and Mrs. Jones is so much more true of the farmer, and is so much more true of the unemployment insurance payee who is now being asked to pay more through a completely regressive tax. It is a tax that is not progressive, a tax that does not get higher as your income gets higher.

Imagine the effect on a group whom we ignore in this House far too much, the six million Canadians who live in poverty; those people who, because of age, because of circumstances, because of region, because of the peculiarities of history, because of the marvels of the market system, which is the *sine qua non* of the party opposite, have competed in our society, and, when the race was over, have lost. Those are the people, and there are millions of them—young and old—who are, to put it bluntly, getting a kick in the teeth from the Conservative Party of Canada through the budget which was presented last night.

[Mr. Rae.]

● (1650)

[Translation]

Mr. Speaker, I suggest that socially the budget put forward last night by the Minister of Finance is very unfair. It reflects a regressive attitude that threatens the standard of living of each Canadian, whether French Canadian, English Canadian or other. I would simply like to suggest to my friends of the Social Credit Party of Canada that we are going to move an amendment to the motion put by my colleague from Windsor West. I also take the liberty of suggesting to them they can no longer support a government that is taking money away from the have-nots in order to give it to the haves.

Mr. Caouette: Come now, be serious!

Mr. Rae: I am very serious. I am hearing the minister's words. We have a system of excise taxes that is the most regressive that can be imposed, because these taxes have been rejected by all progressive parties since the turn of this century. And I urge my colleagues from the Social Credit Party of Canada to read it closely, and to weigh seriously the consequences if they go on supporting a government that threatens the basic principles of social justice, which are so important to our future, especially at this point when we are entering a period of economic and social crisis.

[English]

I would like to move from the condition of Mr. and Mrs. Jones to looking at the condition of the whole economy. It was John Maynard Keynes, who has become the anti-Christ of the Calvinist economics practised by the other side, who said something which I think is worth reading. John Maynard Keynes said:

—Practical men, who believe themselves to be quite exempt from any intellectual influences—

And that, I think, would include the Minister of Finance.

—are usually the slaves of some defunct economist. Madmen in authority—

And I will leave it to the imaginations of hon. members as to whom that implies.

—who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back.

I had a hard time trying to think of who the economist is behind the ideas of the Conservative party. It could be Milton Friedman, as it is frequently said, but while intellectually defunct, he is still alive.

Mr. Rodriguez: John Turner?

An hon. Member: Joe Clark?

Mr. Nystrom: Eugene Whelan?

Mr. Rae: Joe Clark, John Turner, many names have been suggested to me by my colleagues, but I think that we have tracked it down to that nineteenth century economist who tied the rise and fall of the business cycle to the existence of sunspots. There is about as much connection between sunspots