

The Budget—Mr. Rodriguez

increases the federal sales tax and allows the poorest of the poor to fall even further below the poverty line.

Mr. Gagnon: Do you know what the word "honest" means?

Mr. Rodriguez: But how does the Government treat high income earners? The Hon. Member across the floor says "be honest".

Mr. Gagnon: Tell the truth.

Mr. Rodriguez: He says they have kept the index on the GIS. I said that full indexing remains on the supplement. How do they treat the wealthy?

The Acting Speaker (Mr. Rossi): Order, please. Will the Hon. Member be polite enough to listen to the comments of the Hon. Member?

Mr. Rodriguez: Thank you, Mr. Speaker. How does this Government treat the wealthy? Looking at RRSPs, those who earn \$86,000 a year or more will now be allowed to increase their tax deductible RRSP contributions from \$5,500 to \$15,500. Where is the principle of deindexation there? The \$15,500 will be fully indexed. There is no discounting of the first 3 per cent of inflation. It is fully indexed. These people can sock away the \$15,000 each year plus the fully indexed cost of living. Do you know what that means? It means people in the 50 per cent a year bracket can pocket \$5,000 more of what they earn. That is as much as some people in my riding live on. That is the Government's view of fairness!

Mr. Thacker: Louder, I cannot hear you.

Mr. Rodriguez: What will that cost the Government? Its own figures indicate that giveaway will cost \$235 million. The Tories are taking that \$235 million from the poor and middle income Canadians and transferring it directly to the wealthy.

You might ask how do they treat the person earning \$30,000 with respect to RRSPs? Instead of allowing them to deduct up to 20 per cent of their income, they are cutting back so that they will only be allowed to deduct up to 18 per cent. On the one hand, we give upper income Canadians a bonanza, and on the other hand the people at the middle and lower income level get cut. Is that the Conservative sense of fairness?

Ms. Mitchell: Yes, it is.

Mr. Rodriguez: I suspect it is much more machiavellian. Right through this Budget we see a constant shifting of income from low and middle income Canadians to upper income Canadians. If there is an honest Conservative in the House, they will admit that.

From the Government's own figures, Mr. Speaker, by March 31, 1991, the children's benefit will be \$635 million less than under the present program. This has to be a Titanic Budget: it is children and senior citizens first. They are taking \$635 million out of the child benefit program of this country, as well as a massive \$1.6 billion less for old age pension benefits, and what are they doing with it? What are they doing

with this theft from Canada's social programs? Are they doing something creative?

Mr. Waddell: Giving it to the oil companies.

Mr. Rodriguez: They say they are going to reduce the deficit. I know this Government has a fixation about reducing the deficit, just as Margaret Thatcher has a fixation about reducing the deficit, yet unemployment problems remain in Great Britain. We know that the Premier of British Columbia has a fixation with reducing deficits.

Mr. Fulton: And they are getting bigger.

Mr. Rodriguez: Deficits are getting bigger and unemployment is getting higher. There are no jobs for anyone in British Columbia. But when I hear about this fixation with deficits I am reminded of a quote by Kevin Doyle, the editor of *Maclean's* magazine. I would like to read that quote from the February 4, 1985 issue of *Maclean's*. It reads:

● (1220)

The preoccupation with the deficit has become a menace. The word has become a little-understood part of the jargon that men without imagination and governments without direction use to disguise their poverty of purpose. It is a blind to be drawn over any discussion of the real economic challenges that face us, as well as over any argument that threatens to disturb the comfortable, conventional maunderings of the uncaring.

I think that is a very appropriate way of describing the obsession of this Government and governments like it with the deficit. Is the most creative use that we can make of the money removed from the economy through the Budget to put it toward reducing the deficit, in spite of the fact that that completely contravenes and contradicts what the Prime Minister (Mr. Mulroney) said on November 17? He said that money saved by retargeting social programs would not be used to reduce the deficit but redistributed to the neediest. Well, it is not being redistributed to the neediest, it is being given to the greediest in society.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Another area in which they have socked it to ordinary Canadians is in the deindexation of personal income tax. By 1990, as indicated in its own figures, the federal Government will collect \$4.4 billion more in income tax revenue. On the other hand, corporations will receive \$540 million next year and \$2.2 billion by 1990 as a direct transfer. It is taken from those who have the least and given to those who are already enjoying a very low tax rate in the economy.

When I returned to the House in September of 1984, I was struck by the proliferation of powerful lobbies on the Hill. The oil companies have one of the most powerful lobbies. They pay very little tax, only 7 per cent in 1979. The Bankers' Association has a very powerful lobby. They float around in their pin-striped suits. The drug lobbies are getting what they want now, which will sock it to individuals who have the misfortune of being sick. The Manufacturers' Association has another very powerful lobby. It is time that we considered registering the lobbies on the Hill. This might be the appropriate time.