

Income Tax Act

curb the federal deficit as recovery strengthens". That is what the Government will now do with the deficit: it will contain the deficit. It will curb the deficit "curb, boy, curb". One can see the Minister going down the streets of Ottawa curbing the deficits—the deficit going to the curb right behind them. They are now going to contain and then curb the federal deficit as the recovery strengthens. What an inexactitude!

In this very document the Minister shows a deficit for next year in excess of \$28 billion, a deficit the year after of over \$26 billion. Is that the way the Liberals contain and curb the deficit? What a tissue, what a patina, of lies, deception and deceit in the Speech from the Throne and in the budget speeches we have seen in the last four or five years in particular. There is \$82.8 billion in deficits in the last three and one-half years, despite what they said.

Is it any wonder that the Member for York West, disgusted beyond belief, said that the Government operates "through cynicism, bally-hoo and manipulation"? He also said: "If we stay the way we are, surely we are dead". We are looking at the dead across from us now. The zombies are there because they will stay the way they are. The Minister's speech today shows that they will stay the way they are.

What else did the Government say in the Speech from the Throne of April 14, 1980? It said that "One of the essential objectives of this Government is to put more people to work". Unemployment has gone up 50 per cent since then. It was 7.5 per cent when that statement was made and it is 11.1 per cent today.

I thought it pitiful today when I heard the Minister of Finance boastfully saying that the unemployment rate has now declined from 12.8 per cent to 11.1 per cent. One would think that he would not even mention that; but he was boasting that the unemployment rate had now come down to 11.1 per cent. When that Minister took office the unemployment rate was under 8 per cent; now he boasts that it is 11.1 per cent. Deception is a mark of "Lalondomania" for sure.

Mr. Lalonde: That will not go very far. It is too complex!

Mr. Crosbie: "Lalondomania" is too complex. The Minister does not expect to see that in his lifetime, but he will. They will be chasing him and he will be running right out of the country. That is the kind of "Lalondomania" we will see.

Perhaps if the theory of the Budget worked, one could say something for it, that there will be a very strong recover so that governments to come after this one can take more and more in taxes in the next three and four years. However, will there be the recovery that the Minister forecasts? I say there are signs, and many of them, that indicate that this recovery is not a strong and healthy recovery. We are in a position of real danger. The bank rate is rising sharply, as the newspapers say, to 9.9 per cent. That is the Bank of Canada rate as of last Thursday. The Canadian dollar is struggling to remain over 80 cents in terms of the U.S. dollar. The Canadian dollar is under heavy pressure. We have the Government and the Bank of Canada committed, as the Governor of the Bank of Canada said in a speech several weeks ago which has been endorsed by

the Minister of Finance since, to the stand that the Canadian dollar cannot be allowed to flounder down below 80 cents U.S. because of the threat that brings of renewed inflation and renewed problems. Therefore, we have what appears to be a high likelihood of future interest rate increases if the Canadian dollar remains under pressure. We have the likelihood that the Canadian dollar will continue to be under pressure because our merchandise trade surplus is now declining again as our imports start to come in in greater volume and value.

We know that the Minister's projections for economic growth this year have already turned out to be inaccurate. We know, from looking at what the forecasters say, that we are by no means assured of a strong recovery. We simply do not know whether the Canadian economy and the Canadian consumer and taxpayer can afford to pay these increased taxes that the Minister is imposing on them for future years.

● (1210)

What are some of those taxes? The Minister is changing the Income Tax Act in major ways. He is eliminating, in effect, the federal tax reduction of \$200 a year. In the next financial year he will gain \$455 million and in 1985-1986 he will gain \$1.5 billion. That is a major change in income tax which the public will have to pay. What other tax is there? Why, the Minister is imposing an increase in the federal sales tax. Is not this the same Minister and the same Government that came here wailing and gnashing their teeth because certain provinces impose hospital insurance premiums, or because they have high sales taxes which are regressive? Is not this the Government which is against these kinds of regressive impositions and which has announced that next fall, within less than 12 months from now, it will increase the federal sales tax by 1 per cent so the tax becomes in most cases 10 per cent of the value of an item sold? And for construction goods I think it will be 6 per cent. The Government will gain next year from the Canadian consumer another \$300 million in federal sales tax. The year after that the Government will take in an additional \$900 million, and the year after that an additional \$1 billion in the most regressive way possible, which is by a sales tax. This, for a Party which does not believe in anything but progressive taxation, is a huge regressive tax bite, far greater than the hospital insurance premiums collected by Ontario or any other province that this Government has now introduced legislation to try to stop. Hypocrites, cynics, manipulators guilty of deviousness, deviates; this is what the Government is composed of.

What else is the Government doing, Mr. Speaker? Why, the Government is going to continue the Canadian ownership special charge which is imposed on the Canadian consumer. It is regressive. It could not be more regressive. It is gorilla-like in its regressivity. Through the Canadian ownership special charge every Canadian who drives a car or heats his house by heating oil is taxed 4.5 cents a gallon, which is almost a cent a litre. Next year the Canadian consumer will be paying \$965 million to the Government through that tax, the same amount as this year; but the year after the Canadian consumer will be paying \$985 million. In 1986-87 the amount will total \$1