

*The Budget—Right Hon. J. N. Turner*

What if you earn \$40,000? you are up there with a 9.4 per cent increase. But what if you earn \$150,000 a year? You have a decrease of 1.4 per cent. That is equity? That is justice? That is fairness, Mr. Speaker?

There is one rule of salesmanship; if you are going to sell something, get yourself a good product. This Budget is a lousy product. It is an unfair product. It will not sell. I do not care whether the Prime Minister gets on a bicycle and rides from one end of this country to the other, it will not sell.

Take the application of the federal surtax, Sir. If you earn \$40,000 a year, the surtax goes up 89 per cent. It goes from \$103 in 1986 to \$195 in 1987. That is an increase of \$92 or 89 per cent. But let us take a look at the person who earns \$150,000 a year. His surtax goes down 62 per cent, from \$2,451 in 1986 to \$941 tax in 1987. The person with an income of \$150,000 by reason of the re-organization of that surtax, gets an additional cash flow of \$1,500. that is not going to sell, Mr. Speaker, not when people understand what is really in the Budget, not if the people of Canada listen to what is being said about the Budget and examine it.

Let us take a look at the sales tax. My colleague in the House of Commons, the Hon. Member for Oshawa, dealt quite fully with the sales tax earlier this afternoon. It has gone up 3 percentage points since the Conservatives took power, from 9 per cent to 12 per cent. In the last Budget the Government broadened the base of the sales tax to include anything that moves. Health care products, medicine, soap, shampoo, candy and pet food were included. I tell you, Mr. Speaker, every increase in the sales tax with that broadened base is worth \$1 billion; a hit against the Canadian taxpayer. That is the most regressive tax of all. It hits hardest on the low-income families. it is a consumption tax. Those with less disposable income bear the burden of that tax.

● (1620)

The \$50 sales tax rebate is practically a gimmick. It is meant to try to convince low-income Canadians that the Government is excluding them from this tax. But it does not come close to being a reimbursement for the increase in the gasoline tax, cigarette tax, alcohol tax, the tax on refrigerators and televisions, the increase in the sales tax on those commodities which are necessary to furnish a home. The bottom line is that low-income Canadians pay more, and a lot more.

It does not take a genius to raise taxes. But it sure takes guts to get at the expenditure side, to make hard choices and to eliminate some of the programs which go to help the rich and powerful. It sure takes a little more courage than what is being shown by the Prime Minister and the Minister of Finance in this Budget. They have been touring the country telling Canadians that there is fairness enshrined in these two Budgets. I think I have illustrated here in the House of Commons that the figures show that this is not a budget of equity. It is not a Budget of fairness.

[*Translation*]

The Budget is not fair. The burden placed on Canadian taxpayers is not an equitable one.

Mr. Speaker, here in the House I have often spoken about the crisis situation in which our young people find themselves. We are about to lose half a generation. When the last Budget was brought down in May, we on this side of the House protected our pensioners. Now, in the Opposition we have a duty to protect our families and the entire middle class. I am talking about people between the ages of 35 and 55, earning between \$15,000 and \$40,000 a year. These families are being hammered and they are being ignored, Mr. Speaker. It has become almost impossible to maintain a reasonable standard of living. It is impossible to improve the quality of one's life.

It does not take a genius to increase taxes, and the Conservatives have proved this once again.

[*English*]

We were obliged to protect our senior citizens from the last Budget. We are going to have to fight to protect the average Canadian family from this Budget. People between the ages of 35 years and 55 years who earn between \$15,000 and \$40,000 are the ones who will be hit right between the eyes. It is becoming impossible for the average Canadian family to maintain a reasonable standard of living. It is becoming impossible to improve one's quality of life in the face of this attack by the Government.

For the second time in two Budgets—and I raised these questions earlier in the House—the Conservative Government has abandoned the philosophy of regional equality. Spending in the economic and regional development envelope will be cut from a level of \$14.7 billion, determined in 1984-85, to a level of \$9.8 billion by 1987-88. That is a reduction of 38 per cent. This is from a Prime Minister who said he was in favour of regional equality. The Government brought in a new wave of deception when it announced the Atlantic Enterprise Program. It pretended to encourage the launching and expansion of businesses in Atlantic Canada and the Gaspé with Government loan guarantees, but let us look at the fine print. Only big corporations will be eligible because the minimum eligible loan is \$250,000. The Program neglects those who really need the help. Only rich friends of the Tory Government need apply.

[*Translation*]

And speaking of the people of the Gaspé, why aren't the people on the North Shore eligible, or the people in the Saguenay-Lac-Saint-Jean area? Or the people from Abitibi? There is something wrong here.

[*English*]

We took the time to examine several areas of our economy in several important communities which have not even been mentioned in the Budget. With respect to fishermen, in November of 1984 the Minister of Finance cut \$40 million from the Fisheries Budget. In May of 1985 another \$25 million was cut from the Fisheries Budget. We now have