

Small Businesses Loans Act (No. 2)

minister hurts many Canadians, including employees, employers, people approaching retirement, tenants and consumers. The budget is also a restrictive budget. It results in a massive tax increase at a time when the economy is in a tailspin. I believe that it is inappropriate for the economic circumstances of today and that it should be withdrawn and replaced, and the sooner, the better.

The budget is not only bad, it is also dishonest. It is a dishonest budget because the minister, for example, when introducing it, stated that the poor will benefit and the rich will suffer. That is a joke, because the fact is that anyone earning \$20,000 or less will receive a benefit, after the new budget, amounting to a savings somewhere under \$200. However, someone earning \$40,000 will have a savings of \$624; someone earning \$60,000 will have a net savings of \$1,215; someone earning \$80,000 will have a net savings of \$1,808; someone earning \$100,000 will have a net savings of \$2,989.

An hon. Member: That's in your class.

Mr. Jelinek: The government is trying to tell us that the rich and the poor will benefit. The facts speak for themselves. The government says that taxes will be reduced, but that is not the truth, either. In fact, taxes are being increased, if one takes all the taxes into consideration. There has been an increase of \$1,400 in federal energy tax alone per family per year. That is what this budget and this government has now proposed to tax the Canadian people. It amounts to \$1,400 a year for every family in Canada.

An hon. Member: Untrue.

Mr. Jelinek: Tax increases will be felt through the erosion of take home pay because of the imposition of a tax on employee benefits, such as private health plans, dental care contributions, day care, the use of a car and travel passes, as well as the immediate taxation of retiring allowances. If take-home pay is reduced and employers make up the lost pay, the result will be higher costs for the company and probably higher prices to the consumer. There will be taxation of income accumulated in life insurance policies during the life of the policy. Life insurance is now considered to be investment rather than protection. Life insurance is to be taxed every three years and the policy holders will pay tax on income which will only be paid out if they die.

The biggest lie in that budget was when the finance minister said that government spending will be reduced. Again, upon examining the budget, the facts speak for themselves. Government spending in this year will increase by 22 per cent and, in the following year, by a whopping 43 per cent. The government calls that restraint. It is telling Canadians to restrain themselves while it increases its spending by 22 per cent in one year and 43 per cent in the next. I say it is shameful and it is time that the budget be replaced.

Before I close, I will read one last quote from today's *Globe and Mail* editorial. In brief, it states:

Mr. MacEachen's budget is also a disaster. The budget would hurt almost all Canadians except the very rich. It would injure business and eliminate jobs. A

Department of Finance which could forecast in the budget papers that unemployment this year would be 7.2 per cent when it already stood, according to Statistics Canada, at 8.3 per cent is not to be trusted with shaping Canada's taxation future all by itself.

Whether stated by editorials, business associations, individuals, labour or anyone else, the conclusion is that this budget is the most disastrous budget in the history of this country. I repeat, for the third time in my own remarks today, that the time has come for that budget to be withdrawn and replaced with incentives.

An hon. Member: Are you speaking on the bill or on the budget?

Mr. Jelinek: The hon. member said I should speak on the bill. We have been speaking on economics and small business, and on budgetary measures. I am not speaking about Quebec, Ontario, disassociation or separatism, which has increased under the guidance of the Liberal government in this country over the last 12 years more than in the history of this whole nation.

Mr. Mayer: If you had a decent budget, you wouldn't need this bill! If you had a decent Minister of Finance, you wouldn't need this bill!

An hon. Member: Would you be quiet? Show a little decorum in this House.

Some hon. Members: Hear, hear!

• (1710)

Mr. Tousignant: Mr. Speaker, I rise on a point of order. The hon. member just mentioned that separatism has increased while we have been in power. I remind him that if his government had been in power, we would be separated already.

Mr. Mayer: Sit down.

Mr. McDermid: That's rubbish.

Mr. Jelinek: Mr. Speaker, I will not even comment on the remarks of the hon. member for Témiscamingue (Mr. Tousignant).

As one who came to this country from behind the iron curtain some years ago, I came because of what Canada had to offer. Canada offered opportunities and hopes for everyone, for new Canadians and for Canadians who have been here for many generations. Canada is blessed. Canada is rich in natural and human resources and it is rich in technological know-how. Canada probably has the potential of becoming the number one country in the world. There is no question about that.

Everything is not lost. We still have our natural resources. We still have the technological know-how. We are building on that. We still have our human resources and we are building on those. We must replace the stranglehold that has developed around the free enterprise system with incentives. These incentives were built over the years until the presentation of this last budget. Once we replace those strangleholds with incentives,