

was in office, can stand in this House and criticize the responsible actions of Bill C-80.

The economic indicators which I have cited show we are on the right course, Mr. Speaker. The difficult measures contained in Bill C-80 clearly reflect the Government's commitment to the people to achieve economic renewal and jobs.

● (1220)

I believe that the Government is on the right course. The difficult measures contained in Bill C-80 clearly reflect the Government's commitment to the people of the country, to achieve economic renewal and to create new jobs.

**Some Hon. Members:** Hear, hear!

**Mr. Cassidy:** Mr. Speaker, I appreciate the comments of the Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson). He has spoken favourably and said that it was good to contribute by this means, that his constituents should pay more for liquor, gasoline and all types of goods and services which in fact will suffer an increase in sales tax under Bill C-80. He is saying that that kind of sacrifice is something which is worth while. Of course, the question which comes to my mind is: To what extent will his constituents benefit, or for that matter the people of Newfoundland?

I suggest that the people of Newfoundland will not benefit, if benefits arise, in nearly the way the people in central Canada will benefit. Quite simply, the private sector in an area like Bonavista-Trinity-Conception is not particularly strong. There are very few high-rollers in that part of the country who stand to make \$500,000 in capital gains which will be sheltered from tax, according to the measures put forward by the Government. At the same time, there are large numbers of unemployed workers or people in the fishing industry who are now being driven to the wall by the decision of the Conservative Government to allow the Department of National Revenue to go after fishermen for back taxes to the point where they will be driven out of business, if they are still in business at all. They are suffering from the worst catch in many years in that particular part of the country.

I ask myself the following question: If a Government wanted to make all people suffer to some extent by means of increases in regressive taxes in order to turn around and create jobs in disadvantaged parts of the country, that might be at least a defensible strategy. However, is it really defensible to take money from regions with high unemployment or little economic opportunity in order to put it into the pockets of people who benefit from capital gains on investments in apartments in Manhattan, in works of art, or in condominiums in Florida or Palm Springs, Arizona?

Perhaps the Hon. Member would be able to enlighten the House as to how many of his constituents will in fact be in positions to benefit from the capital gains exemption on such matters as foreign real estate investments, and what he thinks that will do in terms of job creation in his region about which I know he is terribly concerned. Perhaps he could enlighten us in terms of the provision of jobs for young people, married

### *Excise Tax Act*

women and workers in general in Bonavista-Trinity-Conception.

**Mr. Johnson:** Mr. Speaker, I thank the Hon. Member for his comments and for his question. I am sure he is well aware that I said at the outset of my remarks that it was not a Bill about which to be jubilant, but that I thought it was a necessary and fair act.

While the people in my riding may not benefit from all measures contained in the Bill, with the vastness of the country from Newfoundland to British Columbia, we would be sitting in the House year round, day after day, for many years to come, if we had wanted to introduce legislation which would perfectly meet the requirements and the needs of all people in the country. I am well aware of the hardships in Bonavista-Trinity-Conception. Some of the taxes collected from the more prosperous areas of Canada will help to pay the \$9.5 million which the Hon. Minister of Employment and Immigration (Miss MacDonald) had announced today in Newfoundland to help fishermen and plant workers who were not fortunate enough this summer, through their endeavours in trying to earn a decent living, to have acquired enough fish or work to qualify for unemployment insurance. A lot of people look upon unemployment insurance as a supplement to their income in the part of the country from which I come. It is not because they are proud to tell people that they are receiving unemployment insurance benefits. It is because they do not live in a manufacturing area and they can only find seasonal work. They have to depend upon the prosperity of other parts of Canada. That is what Confederation is all about; it is the sharing of the wealth of one part of the country with the poor in other parts of the country.

**Mr. Cassidy:** Mr. Speaker, again I appreciate the Hon. Member's comments, but I should like to suggest to him that perhaps the long-established practice of the sharing of wealth among different regions of the country has been reversed, now that the new Government is in power. Traditionally, those areas which were the most prosperous, including southern Ontario and Alberta, for a time, in fact contributed to regions of Canada, including Newfoundland, which were less prosperous. Surely the Hon. Member must know that a sales tax increase is a regressive tax. It hits people in low-income brackets harder than it hits people in upper-income brackets.

The Hon. Member stated that the people in his riding may not all benefit from these particular measures. It seems to me that the redistribution of wealth which will take place with Bill C-80 is that money will be taken from the people of Bonavista-Trinity-Conception. They are the ones who are being hit in order to provide financing for the high-rollers in Toronto, Montreal, perhaps Ottawa and other parts of the country, who will benefit from the \$500,000 exemption on capital gains tax. I am told those high-rollers all drive BMWs, but I have as yet to hear about a BMW being made in Canada by automobile workers even in southern Ontario. They are made in West Germany.