

In his speech yesterday, the Leader of the Opposition made what I consider to be an incomprehensible assertion: that there is no evidence of restraint on the part of the government and that government expenditures are growing by 22 per cent this year while revenues in the next two years will be up by about 52 per cent. Those assertions are not borne out by fact. These falsehoods expressed by the Leader of the Opposition were compounded when he further stated that the energy taxes this year will be up by \$4.2 billion.

I would like to set the record straight. The increase in government expenditures and revenues this year and next reflect, on one hand, an increase in public debt charges and on the other hand, energy revenues. Government expenditure restraint is real and federal financial outlays, excluding public debt charges, are expected to grow by 11.9 per cent in 1981-82 and 11.1 per cent in 1982-83. This is less than the growth of the GNP, and this must be emphasized. Furthermore, compared with last year's budget, the total outlays as a share of the GNP are lower in each year of the fiscal plan to 1983-84. The drop in the share of outlays, excluding public debt charges, is particularly dramatic. It is true that energy revenues do grow \$3.7 billion from 1981 to 1983 but not by \$4.2 billion as asserted by the Leader of the Opposition. Moreover, it is misleading to suggest that this growth in energy revenue provides a significant reduction in the deficit. In fact, compared with energy revenues in last year's budget, energy revenues are down by \$.7 billion in 1981-82 and up \$0.9 billion and \$1.5 billion in 1981-82 and 1982-83 respectively.

The Leader of the Opposition, who should be pleased that the government is restraining its expenditures, made another false accusation yesterday when he stated that as a share of the GNP, federal revenues are the highest since 1946. Again, this is just not true. Federal revenues on a national accounts basis accounted for 21.9 per cent of the GNP in 1946, and in 1981-82 revenues account for 20.9 per cent of the GNP. In the year 1982-83, they will be 21.2 per cent of the GNP.

A proper way of examining the extent of government activity is on a public accounts basis. Only net petroleum compensation payments and the government contribution to unemployment insurance benefits are recorded as budgetary expenditures to the extent that they are direct subsidies and transfers. Budgetary revenues declined from 18.7 per cent in 1974-75 to 15.7 per cent in 1980-81 as a result of discretionary tax decreases over this period. Over the course of the fiscal plan, revenues will rise to 17.2 per cent of the GNP in 1982-83 and remain at about this level to 1985-86. The burden of taxation is less than it was in the 1974-75 period.

That was a period, it should be remembered, that was marked by lower deficits than they are at present.

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Another point that the Leader of the Opposition made yesterday which must be refuted is that essentially this is a recessionary budget. He maintains that because the budget documents show weak growth in the United States. A pre-condition to renewed growth is a sustained permanent reduction in

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inflation. The strategy of deficit reduction and lowering of inflation and interest rates is intended to be pursued over the medium term.

In the short run, if the economy is somewhat weaker than assumed, the easing of interest rates will proceed more quickly. The pace of deficit reduction will proceed more slowly in response to the slowing of economic activity. I am confident the fiscal position is on track. It would be a mistake to try to fine tune the economy in response to one or two months of economic indicators.

I thought it useful to set forward those facts to refute some of the very questionable, erroneous and misleading assertions made yesterday by the Leader of the Opposition. One should not be surprised that he would twist the facts, read selectively from the budget documents and play on the fears of Canadians because he has been doing this for the last five years. Canadians are on to his game. Hopefully they will not be misled. Nevertheless it is important for those who are led down that path by him that the record be straightened.

I want to deal with the other theme of equity at more length in the context of the housing problem that we have in this country. In the government's programs of the last few years we have seen the Liberal approach, the approach of fairness and equity, being applied to housing construction. It has been acknowledged by the OECD and other reputable outside analysts that Canadians are remarkably well housed. One has only to travel abroad, to European countries where economic growth is still high, to see that housing conditions there do not compare with those in our country.

I want to deal more particularly with the whole question of who should receive help in terms of mortgage assistance. Who in society should receive help, those who have mortgages on their homes or the renters, or a mix of both?

A lot of wild assertions have been made in this House in the last while that the government was not responding to the crisis being brought about by high interest rates. All of us on this side lament the high interest rates we have seen in August and September. It should be emphasized that these were of a temporary nature. The basic rate, the Bank of Canada rate, has dropped about 5 per cent in the last six weeks. It will drop even further if the measures outlined in this budget come to fruition. Inflation will be lowered and more economic activity will ensue.

I have been somewhat vexed in the last while. I have come to the House of Commons each day. I have heard wild allegations being made by members of the NDP and the Conservative Party about the need to assist those with mortgage renewals. Only four people in my constituency have come to me expressing those fears which the opposition asserts are rampant in the country.

One was a small-business man whom I know very well. Unfortunately he has suffered because of the high interest rates in his mortgage brokerage business. The other was a home owner whom I have known for many years. He admitted that he and his wife did anticipate that rates would not