

The Budget

Sometimes it is found that there are agencies in government like the Farm Credit Corporation. Because many of these properties bought through VLA by our veterans after the war are farm properties, perhaps CMHC can manage those.

We can find a way to reduce 64 positions and save the government and the taxpayers of Canada a lot of money. We have chosen to do that and in fact, in this particular budget, we have reduced 46 of those operations.

The hon. member knows full well that from time to time every government in the history of Canada has had to support the Canadian dollar and bolster the dollar for obvious economic reasons. He knows that full well. To try to say that has never happened before under the party which he represents is of course absolute nonsense. He knows this happens from time to time.

The dollar of course has gone down. Those who would like to export must have the Canadian dollar at a lower rate or would like to have it, but there is a limit to what the dollar level should be and the government has to intervene on occasion.

[*Translation*]

Mr. Charles A. Langlois (Parliamentary Secretary to Minister of Industry, Science and Technology): Mr. Speaker, two weeks ago today, the Minister of Finance tabled the budget of the Government of Canada for the 1992-93 fiscal year in the House of Commons. This budget sends positive signals to all Canadian taxpayers and to the business community.

• (1100)

Let us take the next few minutes together, Mr. Speaker, to look at the highlights of this budget for fiscal 1992-93. First, the budget brings big reductions in personal income tax. For many years, Canadian taxpayers were used to seeing their taxes go up year after year, budget after budget, under successive federal governments. On February 25, Canadian taxpayers for the first time heard their Minister of Finance announce income tax cuts.

The individual income surtax will be reduced from the present 5 per cent to 4 per cent as of July 1, 1992 and 3

per cent as of January 1, 1993. This measure will give Canadians \$500 million more in after tax income in fiscal 1992-93 and \$1.2 billion a year after that.

The most important point is that all 14.6 million Canadian taxpayers will benefit from this measure. Undoubtedly it will help the Canadian economy recover because it will give Canadian consumers more spending power so that they can acquire goods that they had been planning to buy for years but had postponed buying because of the difficult conditions in the Canadian economy. This tax measure in the budget will now help these people acquire goods that they have needed to buy for years. This is excellent news for Canadians.

The second important measure announced in the budget will allow withdrawing up to \$20,000 tax-free from a registered retirement savings plan to buy or build a principal residence. This measure, together with the current low interest rates, should encourage many Canadians to buy or build a home. It should stimulate a major recovery in the construction industry and in real estate sales.

Home building creates jobs and provides significant economic benefits in businesses that sell construction materials, hardware and electrical equipment, and of course it stimulates job creation as well.

Home ownership is a right with a very long tradition in Canada. Use of a portion of a registered retirement savings plan to buy or build a principal residence will contribute to facilitating access to home ownership.

The Minister of Finance also announced tax breaks for the manufacturing and processing industries. It must be noted that the manufacturing industry provides one job in five in Canada and accounts for one-fifth of the total production of goods in the country. Canadian processors and manufacturers export over 40 per cent of their production. They must now meet the challenge of globalization. To help them meet this major challenge, the Minister of Finance proposed in the budget that the tax rate for profits derived from manufacturing and processing be lowered from 23 to 22 per cent as of January 1, 1993 and then to 21 per cent on January 1, 1994.