

*Income Tax Act*

requested has not been carried out. The voluntary sector has been ignored by the Government.

We have a system of research and development tax credits and investments tax credits that are complicated beyond belief. We have a new scheme for investing in shares of publicly traded Canadian companies which is very complicated. In any event, it does not do anything for non-public Canadian companies. The Budget damage done by the Minister's predecessor in November, 1981 is quite clear. Much of it has not been changed. Some of the improvements he has made do not even approach the damage done by the MacEachen budget. One example is that the capital cost allowance has still not been changed so that you are allowed to take 100 per cent of your capital cost allowance and not just 50 per cent, as became the case under that Minister.

It is my view that there is very little praise required for these measures or this Budget. It is all based on forecasting. If you take the forecast of the Minister of April, 1983, upon which he based his Budget, and if you look at the forecasts of three other groups—The Conference Board, the Economic Council and Data Resources—all of them vary.

If you use the forecast of the Conference Board of Canada, which is more pessimistic than the Minister, and if you use the sensitivity analysis provided in the April Budget fiscal plan, if the Conference Board's outlook for real growth turns out to be right, if it is the correct one, their forecast and not the Government's that the economy is slipping back into a recession, total outlays will be \$5 billion higher by 1986-87 than the Minister predicts, 1 per cent more per year. The budgetary deficit would go up \$14.6 billion. Instead of being \$25.6 billion in three years' time, it would be \$40.2 billion, if the Conference Board projection is right and the Government is wrong. That is how important these forecasts are.

Financial requirements would go up by \$19.7 billion. We would have to borrow \$38.6 billion in 1986-87, \$19.7 billion more than the Minister shows. A 1 per cent reduction in interest rates would put the deficit down by \$1.4 billion. Of course, it would put it up that much with a 1 per cent increase in interest rates. That is how all of these figures can be changed by just a slight change in the forecast.

My time has just about expired. We are prepared to deal with this legislation reasonably quickly. There are questions that need to be answered in Committee of the Whole. Other speakers will address various aspects of this Bill in more detail. If there is a delay, it is the fault of the Government, but the public apparently is not objecting. Not many groups have come before the Finance Committee to object in any detail. The business community does receive some encouragement from the provisions of this legislation. They are quite happy to have it dealt with in a reasonable space of time.

However, this Bill is a part of this Government's attempt to deceive the Canadian people. There is no confidence in this Government. That is one of the reasons the recovery is now so uncertain. As everyone in the country who has money to invest knows, the Government operates, as was described by the Hon. Member for York West, on a policy of cynicism, ballyhoo and

manipulation. It no longer has the power to fool the Canadian people.

● (1240)

**Mr. Nelson A. Riis (Kamloops-Shuswap):** Mr. Speaker, I am quite pleased to have the opportunity to follow the Hon. Member for St. John's West (Mr. Crosbie) after hearing the Minister of Finance (Mr. Lalonde) deliver a speech regarding his new tax Bill earlier today. After listening to the Hon. Member for St. John's West, I must say that we were presented with quite a performance today. I believe anyone listening in today would have to agree. In a sense, it was a rare performance because just the other day I read with interest an article from *The Globe and Mail* of Toronto which indicated that the Hon. Member for St. John's West had commented that in most cases he approves of the Minister's actions and rarely attacks him in the House of Commons. Today he certainly attacked the Minister in the House of Commons, and for that we are all appreciative because he has raised a number of criticisms.

The article in *The Globe and Mail* goes on to indicate that if the Hon. Member for St. John's West were to be in government tomorrow—and he did allude on a number of occasions to the rare possibility of a Conservative success in the next federal election—he would continue with the general approach taken by the Minister of Finance. That is what I take from the article in *The Globe and Mail*. The Hon. Member for St. John's West, who is the Conservative finance critic, has said that he would continue with the general approach taken by the Minister of Finance and that if he were Finance Minister tomorrow he would keep the deficit on its target of \$30 billion. I am not here to comment on the speech made by the Hon. Member for St. John's West. However, it certainly was a rare performance when compared with the comments he made a few days back, as reported by Canada's national newspaper.

I would like to confine my comments today to the speech made by the Minister of Finance. The Minister of Finance must be the nation's best poker player because he stood before the House of Commons today and in a very serious tone of voice and without cracking a smile said that recovery was well underway in Canada. I would ask the Minister of Finance to come with me to Kamloops, British Columbia, some afternoon, and when walking down the streets of that town, to tell some of the people on the street that the recovery is well underway, that things are going very well in Canada and that all kinds of excellent signs are before us.

**Mr. Kristiansen:** He would be recovered in black.

**Mr. Riis:** Well, Mr. Speaker, he would get an interesting trip out of town, I suspect. I would like to see the Minister of Finance stand before the Chamber of Commerce or the District Labour Council in communities such as Kamloops and explain how the recovery is underway and how things are going well in an area where unemployment levels are at 25 per cent and increasing. I would like to see him say that in an area where business, farm and ranch bankruptcies are continuing to