

payments on the loan as a deduction while waiting for a return. In other words, if someone got the idea that they would like to open a little restaurant, a corner confectionary store or a service station and found that they could borrow \$1,000, there is no way under this Liberal budget of writing that \$1,000 interest off. I know the government does not care about that because the mood on the other side of the House is not one for creating the incentive for people to invest money and take a chance to build a piece of Canada.

● (2020)

The government's program is to deal exclusively with the large corporate conglomerates and gain entrance into profitable areas wherever it can, by expropriation if necessary, and to eliminate the guy in the middle and particularly the guy at the top who is on his own.

The government has the gall to reduce the personal income tax of an individual in Canada from 64 per cent to 50 per cent if he makes \$100,000 per year. In press releases the government claims to have taken the money from the rich to give to the poor. That sounds good to the government. In practice it is good, but in reality it is not even in the back of the minds of the government, let alone the front of the budget. The government has reduced the amount of tax to be paid by men and women making \$100,000 per year. They will now only have to pay 50 per cent tax, yet the government has the gall to claim that it has taken from the rich.

I think we should look very closely at what is happening to small companies that are having a problem raising cash for working capital today. The government is telling them to go to the Federal Business Development Bank. In my riding in Peterborough Mr. Speaker, the local Federal Business Development Bank approved eight applications out of 101 requests for financing in the last quarter. In Peterborough, eight out of 101 small businesses received a loan at the going rate, not a preferential interest rate. The FBDB is an institution that lends money to businesses as a last resort. The last resort in Peterborough is eight out of 101. That is not good enough, Mr. Speaker. It is not what the Federal Business Development Bank was set up to do. It was set up to give assistance.

The government has reduced the amount of the federal bond issue, which makes money available to small businesses at a preferential rate, from \$200 million last year to \$20 million this year. It has taken \$180 million away from the business community and has reduced the money that is available though the Small Business Development Bond issue to \$20 million.

That is what the government thinks of small business, Mr. Speaker, and that is why the small business community is going bankrupt at the rate of 5,000, 6,000 or 8,000 businesses per year. They cannot exist without access to money at a reasonable rate.

The Budget—Mr. Rompkey

The list is endless, Mr. Speaker. I am sure you would let me read two sentences from a letter which I received in my office as it pertains to the farm community. It reads as follows:

Because of setbacks in the dairy industry early in our life of this mortgage, production cuts and slowdowns, progress in our farm business has been slower than planned, about two years slower . . .

The last alternative is to sell the farm. Not only do I want to keep the farm and farm it, but I can see a worth-while future resulting from our planning and hard work.

Mr. Deputy Speaker: I regret to interrupt the hon. member but the time allotted to him has expired.

Some hon. Members: Hear, hear!

Hon. William Rompkey (Minister of National Revenue): Mr. Speaker, it is with great pride that I rise to speak in this debate. I say pride because this is a budget based on Liberal principles—the principles of a fair share for all and the principle of helping first those who need it most.

It is a budget that recognizes realities. It recognizes that inflation is an enemy growing stronger every day, an enemy that must be fought. All of us, individuals, governments and businesses, must do battle against that enemy, but the economically strong will be called upon to bear the greater burden. Conversely, we must take steps to protect and shelter the economically weak.

This budget provides that protection. It recognizes that provinces and individuals at the lower end of the scale must be helped. Let me cite a number of examples.

A family of four will now be able to earn up to \$15,000 without paying any federal tax at all. There are a lot of families in that category in Newfoundland and Labrador, Mr. Speaker, and all of them will welcome this budget.

Tax rates will be reduced for all those with taxable incomes over \$11,000. The top combined federal-provincial rate in Newfoundland will drop from 67.9 per cent to 53 per cent. That will mean more money in the pockets of the vast majority of people in my province.

The federal tax reduction will be set at \$200 for all taxpayers, but married taxpayers will be able to claim an additional \$200 for dependent spouses, thus doubling the tax credit for lower income couples. Moreover, indexing of income tax will continue for 1982, bringing further tax reductions and therefore savings.

The child tax credit will rise from \$261 to \$293 per child. This will be a tremendous help, Mr. Speaker, to the vast majority of families in my riding and throughout the province, and this assistance will continue and increase.

A reduction in unemployment insurance premiums will also increase take home pay and provide further cash assistance.

Home owners in greatest need have not been forgotten in this budget. Some time ago I received a petition from my