

revenue for the Government. This year the surtax on corporate income is expected to bring \$485 million in the public coffers, and next year the revenue should amount to \$965 million—which is close to \$1 billion. I would suggest this is proof positive that our Government wants the corporate sector and high income earners to contribute more to reduce the deficit and to replenish the public coffers.

And our Budget is fair as well because we have preserved the principle of universality. Of course our colleagues would again prefer that we let the debt grow bigger still and refrain from taking appropriate measures to gain control. We will maintain the principle of universality in that all Canadians who meet the set criteria will continue to get the old age security pension. However, we will achieve that through a tax measure. We will recover from upper income levels money which we will distribute to those who need it most. By upper income levels, we mean people who earn more than \$50,000 net. If they are 65 years of age or older or have young children, we will recover a percentage of their old age pension or their family allowances so that the money thus saved can be distributed to those who need it most.

Madam Speaker, our Budget is also fair with regard to regional development. Over five years, the government will increase by 35 percent its contribution to regional development. This shows, on its part, a will to help the regions who need it most.

Madam Speaker, our Budget is fair but harsh in a way since Crown corporations are required to do their share. For instance, the CBC will sustain budget cuts of some 50 million dollars over the next four years, 20 million this year and 10 million a year each year thereafter.

We will also ask VIA Rail to make an effort by reducing its expenditures by some 500 million dollars over five years, starting this year with 100 million.

Since everyone who takes the train benefits from a \$100 dollar subsidy paid by Canadian taxpayers, obviously something must change if VIA Rail is to attain some degree of profitability, something which the Canada Post Corporation has been able to achieve under our leadership.

Borrowing Authority

Madam Speaker, I remember all the comments we heard about this. In 1981-82, if I am not mistaken, the annual deficit of Canada Post was \$600 million a year. And it was up to the Canadian taxpayers to pay for it out of their taxes. This year, Canada Post has become a viable entity, earning something like \$40 million to \$60 million.

Those are some examples of measures the federal government is taking to ensure that our Crown corporations will become profit-making enterprises.

We will also expect some effort on the part of the Federal Business Development Bank, which will be asked to make a \$65 million contribution to the coffers of the state through budget cuts.

Madam Speaker, some of the measures to be implemented are somewhat harsher, namely the federal sales tax. I think that our government is already taking the necessary steps to ensure that low-income Canadians are in a better position to carry the burden of the federal sales tax soon to be applied.

Madam Speaker, the reason for this federal sales tax is to make sure Canadian products are more competitive on international markets. This tax will be applied in such a way as not to penalize Canadian products compared to goods produced outside this country.

I want to come back to the issue of the refundable federal sales tax credit. Madam Speaker, this credit will increase from \$70 to \$100 per adult this year, that is in 1989, and will reach \$140 in 1990. That will be done in the context of changes in the federal sales tax.

Those increases will more than compensate for the effect of higher federal sales tax on individuals and families whose income does not exceed a certain level. They represent a first stage towards the new federal sales tax refundable credit, which should accompany the new reform.

So that is another measure the Government is taking to make sure low-income Canadians will be able to manage when that sales tax is introduced.

Madam Speaker, I have heard people say our Government did not go far enough. It is surprising to hear about a budget like the one we brought forward that we should make or should have made deeper cuts.