

general economic policy of the government, although he does have some objection with regard to the tax policy. I will deal with that later in my speech.

The Leader of the New Democratic Party has stated clearly that he believes in massive stimulus. He believes that the way out of our difficulties is to spend, spend, spend. That is what he said. Even other modern social democratic parties have long abandoned that policy. When the former prime minister of Britain, Mr. Callaghan, was facing an economic crisis, he went before his party and told them: "In present circumstances, spend, spend, spend is not the solution".

That is what the Leader of the New Democratic Party has put before the House. I disagree with it. If he believes that massive stimulus at the present time is the answer, he is making a fundamental mistake. He is calling for higher inflation, more unemployment and less growth down the road. If that is his answer, he is careless about inflation. That is his problem. I disagree with him.

He said yesterday and again today that somehow the European and Japanese finance ministers have concerted in a new policy of massive stimulus. I had that checked out this morning. There have been no formal meetings and no formal decisions. Japan has not been part of any discussion. Whatever the Leader of the New Democratic Party is basing his statement upon is not information that we have been able to confirm through official sources.

I may have an opportunity to return to the macroeconomic question, but I want to begin by dealing with a number of the points made by the Leader of the Opposition. I found his speech rather weak, rather ineffective and rather unfocused. After all this accumulation of evidence that we expected to get from the Leader of the Opposition and all the hearings throughout the country, I expected that the Leader of the Opposition would pinpoint specific objections which he wanted to have repaired and which he wanted to form the groundwork in asking the House of Commons to remove the budget. What did he produce? Very few specifics, and when he did go into specifics, he made very great mistakes. I will deal with that later.

What has been stated again today by the Leader of the Opposition and the leader of the New Democratic Party is that the impact of this budget bears heavily upon low and middle-income Canadians. Last November the Leader of the Opposition said, "it was in fact a budget which will impose an unbearably hard burden upon countless average Canadians and has as its principal purpose the enrichment of the federal government." The leader of the New Democratic Party said that, "the vast majority of Canadians get no tax cuts at all."

Mr. Broadbent: I didn't say that.

Mr. MacEachen: I refer to *Hansard* of November 16, page 12801, where the leader of the New Democratic Party is reported as saying:

—the vast majority of Canadians get no tax cuts at all.

Supply

The "majority" must be Canadians. I find that one of the most incredible misperceptions and misrepresentations that has floated across this country since budget night.

I ask Canadians who have tax withheld from their pay cheques to compare their 1981 pay cheques with their 1982 cheques. I do not ask the Canadian people to believe the Leader of the Opposition, the leader of the New Democratic Party or the Minister of Finance. I ask them to look at their pay cheques. I ask them to look at the hard evidence.

● (1610)

I ask members of the House of Commons to look at the withholding tax table, 1981 and 1982. I am telling you, Mr. Speaker, that under the new 1982 tax rates, several million wage earners and salaried employees will have larger take home pay.

Some hon. Members: Hear, hear!

Mr. MacEachen: In fact, several million will have larger take home pay.

The idea has been put about this country that the effect of the budget has been to bear heavily upon, and to increase taxes for, the low and middle-income Canadian people. That is false, Mr. Speaker.

Last night I was on a television program and I repeated the fact that 12 million Canadians would experience lower taxes as a result of the composite measures in the budget; for example, the marginal tax rate, the change in the federal tax credit, the indexation. Thus, 12 million Canadians will have less taxes to pay, about 3.5 million will pay the same amount and about 800,000 will pay more taxes. These are the facts.

I had a call from a friend of mine, a small employer, who said to me: "I am very pleased that you mentioned that, because based upon the statements made by opposition spokesmen, my employees were expecting to have their taxes increased as a result of the budget. When they looked at their pay cheques, they found there was a decrease."

Some hon. Members: Hear, hear!

Mr. MacEachen: I ask the Canadian taxpayers to look at what is happening. It is happening as a direct result of indexing and the tax measures in the budget. Anyone who wants to check it should simply compare the 1981 and 1982 tax withholding tables.

Mr. Baker (Nepean-Carleton): On a point of order, Mr. Speaker, would the hon. minister permit a question?

Mr. MacEachen: Mr. Speaker, I will deal with questions at the end of my speech. I do not think that I can deal with them now.

Some hon. Members: Oh, oh!

Mr. MacEachen: I was able to bring that result about because, instead of increasing tax rates across the whole range of the system, I decided to broaden the tax base with the effect