

The Budget—Mr. Blais

Mr. Blais: In 1981-82 our expenditures are envisaged as being 20.6 per cent of our GNP. If the hon. member for York-Peel looks at the budgetary documents, he will see that the forecast for 1985-86 is that our spending target will be 19.2 per cent of the GNP.

Let us talk about cash outlays. Excluding the debt charges, our cash outlays will increase in 1981-82 by 11.7 per cent. In 1982-83 our cash outlays will be 11.1 per cent. Yesterday the Leader of the Opposition spoke of an increase in cash outlays as something in the vicinity of 52 per cent as forecast in the budget. I cannot find where he got those figures. One can see the discrepancy between the figures he advanced and the ones I quote.

Our budgetary revenue decreased from 18.7 per cent in 1974-75 to 15.7 per cent in 1980-81 as a result of discretionary tax decreases over this period. Over the course of the fiscal plan, revenues will rise to 17.2 per cent of GNP in 1982-83 and remain at about this level until 1985-86. Thus the burden of taxation is less than in the 1974-75 period, a period of lower deficits than the present period.

Let me address the second point, the aspect of equity in this budget. Undoubtedly that is the aspect that has attracted the most attention because everybody likes to hear the term "loophole", that somehow we are removing loopholes within the tax system. In effect, this is exactly what has happened.

When I congratulated the Minister of Finance earlier in my talk, I addressed the humanity of the man. It is manifest in this budget because in closing the loopholes, we see the Minister of Finance in his small "I" liberal stance, a man who is in search of equity, who is in search of fairness. He has addressed that directly in this budget. I fail to understand why the opposition does not give him that credit. I just cannot understand it. I quote from an article in the *Toronto Star* dated October 23, 1981, which reads:

Thousands of rich Canadians don't pay any income tax because of massive loopholes in the tax system, New Democratic finance critic Bob Rae charges.

Poor and middle-income earners already staggered by high interest rates, are forced to shoulder an extra load because they must pick up the tab for the "tax giveaways to Canada's wealthiest individuals and corporations," Rae (Broadview-Greenwood) said.

In 1979 alone, 3,467 people who earned more than \$50,000 paid no income tax, he said, which was a 50 per cent increase over 1978.

"Giveaways" allowed 160 Canadians earning more than \$200,000 a year to avoid paying any taxes during the same year, he added.

Speaking to reporters yesterday Rae—a candidate for the Ontario NDP leadership—contended that Finance Minister Allan MacEachen must include sweeping tax reforms in his next budget, now expected about Nov. 10.

● (2110)

We did exactly that. We plugged the loopholes. We redistributed the tax burden. Have we heard any sort of congratulations from the hon. members of the opposition? Not a peep, Mr. Speaker; but there has been, I shall point out to you, generally in the population of Canada a great deal of appreciation in terms of the equity that has been built in with regard to the tax system.

There are other tax adjustments. I would like to address those tax adjustments as they will affect my constituency. Based on the estimates of the Department of Finance, the average family savings will be \$210. Because of the reduction in the marginal tax break, the 20,564 families in the constituency of Nipissing will save over \$4,318,500 next year, which will provide for a positive stimulus for the area. My riding has a large number of small-business men and a large number of farmers throughout northeastern Ontario. They will take advantage of the tax measures that are contained in the budget.

In addition, a matter that has not been identified by the hon. members of the opposition is indexation. Indexation represents \$3 billion of direct tax removal or tax credit for individual Canadian taxpayers. The indexation is retained. Personal exemptions, for example, for a family of four will be increased from \$7,230, as it was in the past fiscal year, to \$8,110, which is nearly \$800 more in exemptions as a result of maintaining indexation.

The child tax credit will be increased for each child from \$261 to \$293 in this budget. In effect, we are talking about substantial assistance to medium and low-income earners.

[*Translation*]

The third theme of the budget is economic renewal. Contrary to the claims of the opposition, the government has addressed economic development, and I am thinking of the document that was tabled in the House and which bears the title *Economic Development for Canada in the 1980s*. The opposition members do not want to give this document any consideration—that is very unfortunate, because it contains a wealth of interesting information on the potential of our country. It says that within the next five years, the Government of Canada will spend \$42 billion on economic development. In addition, \$18.2 billion will be spent on energy development during the same five years, and that does not include all investments that will be made, Mr. Speaker.

After all, Canada is the second largest country in the world and it has splendid potential. Even members of the opposition will agree on that. And when we look at this document, we realize how vast this country's potential is.

[*English*]

The economic development of Canada in the 1980s indicates that the megaprojects will amount to \$440 billion, between now and the end of this century. All members have read the document and are surely impressed. In addition to that it reflects a secondary economic potential, that is in terms of supplying these megaprojects. We will require a full infrastructure of supply industries that will provide additional revenues for Canadians, additional job opportunities and additional economic activity. The third area is the exploitation of high technology and high productivity goods and services.

I should like to address each one of the three areas. First of all, let me deal with the question of resources. All members will agree that Canada has a rich tradition in terms of the