

The Budget—Mr. Breau

However I am firmly convinced these changes will bring at least three-quarters of a billion's worth of stimulus to Canadian firms and Canadian entrepreneurs.

I would like to stress that, as far as the Atlantic provinces are concerned, the government operated along the policy established in the last budget—I mean the one before that of November 16, namely to use the fiscal system to help regional development.

Mr. Speaker, the 10 per cent investment tax credit will be increased to 20 per cent when investments will be made in the Gaspé area and in the Atlantic provinces. In my view, I think it ought to be pointed out. As a representative of the Atlantic provinces, the northwestern part of New Brunswick, I want to thank the government and congratulate it for its initiative because indeed the incentives granted by the Department of Regional Economic Expansion to industries are most important for us.

However, it must be stressed that such incentives apply only when a new enterprise is operated, a manufacturing enterprise modernized or in order to enlarge or develop the handling or manufacturing industry or any other secondary industry. But by using the tax system through investment tax credit as the Minister of Finance (Mr. Chrétien) did in his budget of November 16, one helps all Atlantic manufacturing industries which would like to invest either simply to increase their efficiency or for purposes of modernizing or enlarging. These measures also have a positive impact on those who wish to invest in their industries and increase their production capacity.

I think, Mr. Speaker, that this is not a reason to drop the industrial incentive program of the Department of Regional Economic Expansion. I think that both policies are compatible and this is something I wish to emphasize as it demonstrates this government's determination to encourage regional development and particularly to help the Atlantic provinces, the Gaspé area and other areas which in the past did not benefit from the same level of industrial development as other regions of the country.

I also wish to stress that this budget should be considered not only from the standpoint of the economic situation in the occidental world but also that budgetary measures should be closely related to other programs, other decisions, other policies of the government aimed at helping Canadians. As some members said this afternoon that the budget does not do enough for low wage earners, I wish to point out that the government has tabled a bill, and I think it has priority as concerns parliamentary business, that will bring a significant change to the family allowance program so that these funds, or a good part of them, will be used to give a \$200 tax credit for every child of families with a net income of \$18,000 or less according to their income tax return. Mr. Speaker, for those who earn more than \$18,000 this tax credit will be progressively reduced up to a net family income of about \$30,000.

[Mr. Breau.]

Mr. Speaker, this is just an example which shows what the government can do to influence the Canadian economy. Families receiving every year the \$200 tax credit for every child will use that money to buy things for themselves. It will help our economy but it will also help Canadians, low wage earners, people with a lower income to adjust to changing economic situations.

● (1512)

[English]

Members of the New Democratic Party have been telling us in this House for the last weeks that inequalities are not being reduced. Indeed, they argue that the gap in incomes as between the rich and the poor is widening. In the course of a debate which took place here not long ago I challenged the position taken by the leader of the New Democratic Party, the hon. member for Oshawa-Whitby (Mr. Broadbent) who asserted, during the debate on the Speech from the Throne, that inequalities have not been reduced in the last ten years. I say that such a statement is false. It is not in accordance with the facts at all and the hon. member, by repeating it, does not make his assertion more true. He is not looking at the facts at all.

Before I begin using figures, I should like to make it clear that when we are talking about the equalization of opportunity, about means of fighting poverty and helping people who cannot help themselves, it is, in my view, a mistake to reduce the argument strictly to figures; one cannot measure the welfare of human beings on such a basis. Thus, even though I use figures today, I do not wish to be taken as meaning we ought to be satisfied or that we have done enough to eliminate poverty and bring about greater equalization of opportunity. Nevertheless, I believe that figures, if used accurately, can show a tendency. Look at some recent statistics, for example. In 1968, salaries and benefits to workers in Canada accounted for 54.2 per cent of the gross national product.

● (1522)

In other words, workers were taking 54.2 per cent of the gross national product. In 1976, 57.4 per cent of the gross national product was going to workers in salaries, wages and fringe benefits. That does not mean that there is not still a gap, and it does not mean that we should be satisfied, but when the hon. member for Oshawa-Whitby (Mr. Broadbent) pretends to speak in this House for workers and says we have not done anything to reduce inequities in this country, he is just not looking at the facts, or he cannot recognize them when he sees them. We have increased the share of workers in relation to the gross national product by some 3.2 per cent in only ten years.

I want again to refer to some figures, not because I choose to, but because, of all people, the hon. member for Winnipeg North Centre (Mr. Knowles), when speaking about the child tax credit bill in this House some time ago, referred to figures to help him make the argument that we have not reduced inequities and that we have not helped in closing the gaps.