

and criticism from various sources as I mentioned and to consolidate them in what, I am happy to say, turned out to be a truly remarkable budget.

I must say, that this budget is the end result of much preliminary work. Let me explain. The budget before us today is one for growth and recovery. This would have never been possible had we not managed to first bring inflation under control. We will remember that 20 years ago inflation had reached 15 and 18 per cent in Canada. In those days interest rates were between 17 and 20 per cent. There would have been no use, in my opinion, to come up with a budget such as this one four, five or six years ago because inflation had to be brought down before interest rates could come down. Just when we need it, here comes this new budget. A happy ending to all the problems created by galloping inflation and high interest rates which have now levelled off at such a low rate that it is the envy of a great many nations.

We have desirable interest rates and low inflation, which now enable us to restore the back of confidence in our economy. This is what this budget is all about: restoring a climate of confidence for the people, the consumers, the small investors who have gone through rough times and of course the foreign investors. That is what we should focus on. I would like to take the time I have left to emphasize the positive aspects of this budget. I see this budget as very reassuring in terms of economic recovery. I will go into specifics in a moment. I also see it as fair for Canadian taxpayers, as well as thrifty and inexpensive in strict budgetary terms. Those are the three angles from which I will evaluate this budget.

Let us talk about the budget as it is designed to stimulate economic recovery in Canada. Canadian taxpayers and consumers will first benefit from a reduction of 1 per cent of the surtax, which will put close to \$500 million in the taxpayers' pockets, and that money will be used again to buy consumer goods. If that \$500 million is put back into circulation this will of course generate new confidence. Also consumers will benefit from the program allowing them to use their RRSPs to gain access to property, which is a right. Canadians will be able to use the pension fund they have set up through their hard work. They will be able to make a dream come true and borrow up to \$20,000 from their own fund which amount

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they will later put back in their plan over a period of 15 years. This will also increase economic momentum and generate confidence. When things go well in the building trade, the go well everywhere. Those are two examples at the consumer level and we will be able to mention others. In fact this budget is full of initiatives.

However, economic recovery cannot rely on consumers only. Investors also have to step in, and we are talking about investors that are capable of providing a financial push, but in a very sound economic climate. Here again, there will be a tax reduction of 1 per cent. There will also be, among other things, an increase of the capital cost allowance rate on their machinery. This will give an opportunity to increase production by replacing machinery that is now obsolete, fragile, old and that should be replaced for the sake of competitiveness and productivity. Again this will help Canadian consumption.

I believe the Minister of Finance showed that he was extremely receptive to our productive labour force by providing it with the means and the stimulants necessary to work and to make work, and that is the most important thing. There is no point in investing billions of dollars to increase services if a climate of confidence has not been generated. We had to demonstrate that inflation was under control. We had to demonstrate also that interest rates would go down, and we have achieved that. Now, this climate of confidence can be generated and it is with that objective in mind that one must look at the budget. There will be no overnight miracle. It is a long-term approach that is in fact totally different from the approach in budgets of seven, ten and fifteen years ago. I agree that those budgets provided for massive investments, but the objectives were always short-term and this unfortunately led us to stagnation and successive deficits that have contributed to the debt we now have.

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Beyond this recovery and the climate of confidence that it generates, I also see in this budget a more equitable vision towards society, the family and the human being. The budget heralds positive social changes. Beyond the tax reduction that every taxpayer will enjoy, there is support to the family, thanks to this very audacious reform of family allowances which will now be paid in one cheque, in a single contribution.