

*Income Tax Act*

purchased on a farm or in a business. This additional tax credit is an incentive which will allow for new capital investments made between October 28, 1980, and before 1986. This new investment tax credit applies to plant, machinery and equipment for manufacturing or processing as defined under the Regional Development Incentives Act. Such investments will be entitled to a 50 per cent investment tax credit. This compares with the existing tax credits of 7 per cent, 10 per cent or 20 per cent depending upon the region where the investment is made.

I am pleased to speak on behalf of this powerful incentive for investment in the slower developing regions of this nation which do not have the potential resources some other regions enjoy. When the Minister of Finance presented his budget, he indicated that the concept of sharing seems to be close to the distinctive fibre of the Canadian tradition. This concept of sharing, whether it is in equalization payments to the poorer provinces or increased incentives for development in those provinces, has one common objective—equality of opportunity for all Canadians.

The bill before us today is part of a package which will ensure the continuance of our high standard of living, ensure that increased personal exemptions are of assistance to all Canadians, and as a result of continued indexing, ensure taxpayers will not be pushed into a higher tax bracket by increased income which merely keeps pace with inflation. Also, I point out that indexing the refundable child tax credit maintains its real value.

Last but not least, this afternoon the newly-inaugurated President of the United States spoke of a new beginning and the need for an end to inflation. If we in Canada are to maintain a positive growth in our economy, then the Income Tax Act must be an integral part of the budget which will reduce our deficit over the next four years, enhance our share of world markets, and increase our energy price structure in an orderly manner which will assist in the fight against inflation. Previously, for every dollar the price of oil rose, the inflationary impact was about one half of one per cent. Therefore, by implementing the energy price increases in a planned and structured manner as we have, the economy will strengthen, we will encourage expansion in those poorer regions referred to earlier and be cushioned from inflationary pressures. The bill is designed to lower our deficit in a way that will not stagnate our economy. As the interest rates moderate, which has been the trend in the last four weeks, the Canadian dollar will strengthen. This was the case today; it closed today at 84.07 cents United States.

Bill C-54 provides the balance required to ensure a continuation of sharing and equality, the basis upon which the nation was built. Sharing and equality are the mechanisms which will build a stronger economic base and ensure an even brighter future for all Canadians.

**Some hon. Members:** Hear, hear!

● (2050)

**Mr. Dave Nickerson (Western Arctic):** Mr. Speaker, before commencing, I would like to congratulate the hon. member for Lambton-Middlesex (Mr. Ferguson) on his well read but rather soporific departmental style speech. The subject under discussion tonight is Bill C-54, which deals with supposed amendments to the Income Tax Act. At least, that is what it was described as in the ways and means motion which was introduced in the House on January 12 by the Minister of Finance (Mr. MacEachen).

However, upon reading the bill and turning to the first page, we find that it not only includes amendments to the Income Tax Act, but that it also contains a \$14 billion borrowing authority. It was bad enough that Bill C-30 was brought in last year asking for \$12 billion borrowing authority. It seems to be going up by \$2 billion per year. I believe hon. gentlemen opposite were trying to sneak this by on us. It is yet one more sneaky trick in a very long line of Liberal sneaky tricks. But fortunately, Madam Speaker, when this matter was raised as a question of privilege a few days ago, ruled in favour of the view put forward on this side of the House, that insufficient notice had been given for the introduction of this matter. She ordered that the bill be reprinted and that proper notice be given on these important matters.

This type of action, this sneaky behaviour on the part of the government will not do. We will insist that the Liberal borrowing plans be brought out into the open, that they be inspected and investigated under the full light of day. In the election campaign of one year ago, promises were made by members opposite to the effect that they would work toward a balanced budget and that they would engage in responsible financial and fiscal policies. Canadians know that after years of Liberal misrule, the finances of this nation are in one horrendous state. Yet, they were once again conned into voting for that very party and, indeed, that very Prime Minister (Mr. Trudeau) who had got them into the mess in the first place.

Where are the promises of financial responsibility now when the government is looking for this \$14 billion borrowing authority. I would suggest that, like some other Liberal promises, they have just gone by the board. Before approving this borrowing authority, there are things which Parliament will want to know. Parliament will want to know to what use the money is to be put. Is it to pay for yet more current account expenditures?

As an example of this, we can cite the oil subsidies which have been provided to eastern Canada and Quebec for some time. Are we borrowing money so we can burn it up, so to speak? Is that what the government proposes to do with the money it borrows and which will eventually have to be paid back with interest by Canadian taxpayers? Or is it, for instance, to be given to Petro-Canada so that it may carry out the policy imposed on it by the government, that of buying out existing oil companies in this country, an action which will not result in one additional barrel of oil being produced? Or, is it