

cost of substitution? That may not be important in the rich areas which members opposite represent—metropolitan Canada—but down in Atlantic Canada it means a lot. Yet down there you are going to take just as much from them as you are prepared to take up here. Your conscience must have gone with the budget.

An hon. Member: They do not have a conscience.

Mr. McCain: Consider the plight of the fixed income people. My God, Mr. Speaker, we have heard about the needs of those people from members over there. For 20 years we have heard them say they would improve their old age pensions, they would improve this, that and the other thing. But it is they who are now cutting off some payments to the provinces which are already supporting many of these people who are on welfare because of the total negligence and lack of consideration of this government.

We have talked in this House about the tax structure. Now I would like to point out that the minister from Halifax, knowing Atlantic Canada and its needs, was sort of bragging about the fact that the provincial governments can, if they adjust their taxes in a certain way, collect another \$1,400 million from provincial taxpayers. That is on top of the additional take which the federal government plans to get through its adjustment of income taxes and the closing of certain loopholes which they talk about. So provincial and federal taxpayers of this land will pay an extra \$3 billion merely as a result of the adjustment in income tax. But the beauty of it, Mr. Speaker, is that the federal government is going to cut its payments to the provinces and will collect more money for itself, while it is the provinces that will be accused of imposing additional taxation. It gives a bad reputation to the provincial governments which are trying to economize, and fattens the purse of the Liberal Party.

● (2100)

My time is growing very short. However, I would like to talk for a minute about industrial strategy. I appeal to this government, as I did when I spoke the other day, to recognize that there are certain assets which we could develop. We could be exercising all incentives to get extra drilling off Sable Island and Hibernia. We could supply all kinds of incentives to get the tar sands into production. Our imports of oil could be reduced by 250,000 barrels a day within a three-year period. We could reduce expenditures today by \$10 million a day; \$3,650 million a year two or three years down the road, and keep our money at home. We would increase the tax base for the Government of Canada without increasing the rate. We could put 100,000 people to work directly or indirectly on those megaprojects which would generate another billion or so in tax revenues for the Government of Canada. Why punish us? Why deliver disincentives? This is the land of opportunity. We need leadership from this government. When is it going to come? When are we going to supply incentives rather than disincentives?

The Budget—Mr. Blais

[Translation]

Hon. J.-J. Blais (Minister of Supply and Services): Mr. Speaker, I have now listened to two members of the opposition and I can understand they are frustrated at having to sit on the other side of the House, to listen to the debate on a budget we have brought down, while in fact, they should or would have brought down not only the budget that was defeated but additional budgets, if they had not made the mistakes they did, which are now history.

I should like to start by congratulating the Minister of Finance (Mr. MacEachen) for his humanitarian approach, for his insight and courage. He was faced with difficult economic conditions and he has done a good job. The themes he announced in his budget are restrictions, equity and economic renewal, and I intend to review each of these themes in turn and highlight their positive aspects. The opposition has highlighted the negative aspects of each of these themes, and I want to look at the positive side.

[English]

Although we claim that this is a budget that addresses restraint, we hear comments from the opposition that there was no restraint. I call the attention of the House to the facts, the truth. The restraint envisaged by this budget is not only restraint that we face in the future, but restraint that we have already exercised.

I will cite some figures for the House. Yesterday we heard the Leader of the Opposition (Mr. Clark) quoting a series of figures he had pulled out of hats. He did not substantiate them. I will substantiate mine because these figures can be found within the budget papers.

Last year's experience was a decrease in our deficit as measured by the cash requirements. Our projection was \$12.2 billion in cash requirements. In effect, we needed \$10.1 billion, a reduction of \$2 billion in our cash requirement.

In 1982, \$11 billion had been projected in cash requirements. We envisage that our cash requirements this year will be in the vicinity of \$9.8 billion. For 1982-83, according to the budget papers, we will require \$6.6 billion in cash. That is a \$4.4 billion cash requirement reduction over what had been prognosticated last year.

Mr. Stevens: You are just taxing more.

Mr. Blais: In effect, we are substantially reducing our cash requirement. The hon. member for York-Peel (Mr. Stevens) knows that two years ago we came to the House requesting a \$14 billion borrowing authority. That was what had been envisaged in terms of our cash requirement as well as our contingency. Let us talk about spending targets.

Mr. Stevens: Up 22 per cent.

Mr. Blais: Spending targets are going to be maintained at a level lower than the GNP.

Mr. Stevens: When?