

**Mr. McDermid:** Why don't you go back to Ontario and run your little brother's campaign?

**Mr. Peterson:** I am delighted about a particular provision in the budget to which I want to devote special attention. This particular provision is the one which deals with charities.

**Miss MacDonald:** Where is David?

**Mr. Peterson:** I am glad hon. members support my brother for the leadership of the Liberal Party in Ontario. I know he will do a better job than they.

**Mr. Beatty:** He is more a Tory than a Grit anyway.

**Mr. Peterson:** I would like to address some remarks to the House concerning the tax provisions and changes dealing with charities. As hon. members are aware, the present system allows individuals or corporations to deduct up to 20 per cent of their income a year if they donate it to a charity. Any excess over the 20 per cent can be carried forward one year. The government has realized that this has not been adequate financial incentive to help the many individuals in this country who want to help the government assume part of the role of funding worth-while enterprises, so the budget has taken a very forward and far-reaching step and allowed donations in a year in excess of 20 per cent of income to be carried forward for five years. In addition, on death, donations exceeding the 20 per cent can be carried back for one tax year.

These measures are a constructive means to ensure that more of the burden of funding these worth-while and necessary institutions in our society is carried by the private sector. They are a direct encouragement to individuals and corporations to fulfil their responsibility to their fellow human beings in a way that no government institution could ever hope to emulate. I applaud the progressive steps of the Minister of Finance in this area.

In terms of social and economic development, many members of the opposition have said that we have not dealt with the question of development and that we do not have full provisions in the budget. However, if they read the documents tabled along with it, they would realize the commitment of this government to a full program of economic development. Let me give some examples. With respect to science and technology, research and development are at the heart of any industrial renewal. In terms of research and development the government has committed itself, in co-operation with the private sector, to reaching a level of 1.5 per cent of gross national product. To date we are already ahead of our commitment to reaching that goal. We have given over \$1.5 billion this year. We have done it in a very constructive way in co-operation with the private sector. There is new funding for microelectronics centres in Vancouver, Edmonton, Winnipeg, Toronto, Sherbrooke and the Atlantic region. There is a new source development fund of \$30 million to help Canadian suppliers of high technology goods and services. The Natural Sciences and Engineering Research Council has an extra \$20 million. There is an extra \$27.5 million for application and marketing of Telidon Video-

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tex technology. We have established an industrial opportunities program to co-ordinate existing programs, involving expenditures of \$275 million annually. The government's work with Telidon has made it a world leader of which hon. members on all sides of the House are proud. I commend the department for setting up a \$12.5 million program involving an office communication systems program. This is done in conjunction with companies such as Mitel. It will help increase white collar productivity, and we know that the number of white collar workers is increasing at a much faster rate than that of any other workers in our economy.

The Corporate Productivity Research Group includes Motel, Skyline Cable, The Canadian Imperial Bank of Commerce and AES. This is an example of drawing together the strength of the private sector and the public sector to go on to new achievements in the fields of microprocessing and microtechnology. I believe microtechnology is important because it presents an incredible opportunity to create the new jobs which are going to be necessary in the future and the extra productivity and social equity we want so that we can find, for example, more higher paying jobs for women.

In his remarks this afternoon the Right Hon. Leader of the Opposition said we are not dealing with our economy seriously. He is wrong. The Minister of Finance is dealing with it seriously. The budget represents a long-term approach to reducing inflation and the high interest rates which are the root causes of our economic ills and concerns today. Let me demonstrate what type of confidence has been expressed in this budget. On August 4 the Canadian dollar was worth 80.31 cents U.S. Last Friday, after the budget, it was worth 84.09 cents. At noon today it rose to 84.32 cents. That is an expression of confidence. With a higher dollar we will be able to reduce inflation further, and that will make it possible to reduce interest rates. This was an expression of confidence in the budget by the international community and an expression of confidence in the direction being taken by this budget.

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

● (1750)

**Mr. Bill Domm (Peterborough):** Mr. Speaker, before getting into the main content of my remarks concerning the budget, I would like to refer to a couple of comments that have been made. It is quite astounding that members opposite are under the misapprehension that the people of Canada are sitting at home, reclining in their easy chairs, watching television as though the greatest thing to ever happen in their lives has happened.

Actually, these people are starting to wake up. They are beginning to put their chairs in a vertical position and are fast arriving at the conclusion that the budget has misrepresented to them the facts as they pertain to the speech of the Minister of Finance (Mr. MacEachen).

The budget brought down last Thursday night is nothing more than a blueprint for economic stagnation. As I proceed through my remarks, I will read into the record what the