The Budget—Mr. Tardif

benefit fully from their labour. Hon. members of the Progressive Conservative Party are probably eager to see their housing policy reactivated, together with a program costing several hundred millions, if not billions of dollars to help Canadian home owners who must renew their mortgages. What would they pay these costs with? With western oil? Of course not, since the previous Progressive Conservative administration had sought a lot less than the current Liberal government in the sharing of oil revenues.

An hon. Member: The friends of the companies!

Mr. Tardif: The reply to this question is quite simple. They would have forced the Canadian men and women who will be entitled to tax reductions instead of tax increases under this budget, to pay these costs. Obviously they would want the several millions of Canadian taxpayers who are already in dire straits, to foot the bill, made probably heavier by a higher rate of inflation. This kind of reasoning is an insult to common sense.

As to the New Democratic Party's reaction, I think that it can be described as shameful if not scandalous demagogy. Hon. members of that political formation are truly irresponsible when they deal with financial issues. The fact that nearly 12 million Canadians will benefit from an average reduction of $210 in 1982 will have extremely positive effects on the Canadian economy. This loss in revenues which will exceed $3 billion in 1982 will be offset by tax increases which the government will impose on 795,000 people, corporations included of course. Who are these 795,000 people, Mr. Speaker? They are taxpayers who contribute to a very large extent to the Canadian economy, who very often invest money and head corporations. Usually they are also the ones who create jobs. They have a prime responsibility to discharge on Canada's economic scene. Should this be a reason to alleviate their tax burden, as the Progressive Conservatives would have it? In my view, Mr. Speaker, we should grant them incentives to invest in job-creating industries. We should even enter into partnership with them. We should even supply these job makers with a favourable climate, valuable indications, because otherwise they will lose confidence in the future of Canadian business, and will probably invest where guarantees for success are greater. Although they are part and parcel of Canada's economic future, I believe that in periods of difficulty as the one we are now going through, in this inflationary context that affects the global economy, I believe the haves must assume obligations, responsibilities commensurate with their ability to pay.

Of course they are affected by inflation, but, on the other hand, contrary to most Canadians, they do not support the dire and dramatic consequences of inflation. The MacEachen budget was aimed at restoring a balance that seems to me most fair and equitable in the circumstances. The need for such a balance seems to me all the more obvious that those big interests are faced with a number of opportunities for extending their involvement in the development of our Canadian economy. Indeed, the loopholes that have been plugged were a lot more profitable to the individuals than they were to the Canadian economy. The cost of the estimated tax reductions, to the tune of $3 billion, will be offset partly by increases to be borne by those in the higher income brackets, and partly by additional revenues resulting from recent agreements with the oil producing provinces. Together, these added revenues more than compensate for the $3 billion loss. Therefore, the government may reduce its deficit while helping Canadians beset by problems of inflation and interest rates.

The inflation and high interest rate problem is particularly acute in the case of small businesses, farmers and home owners who must renew their mortgage. The budget answer to that serious problem is the inflation fighting strategy of deficit reduction. However, specific help has been provided to help those groups most in need. The budget includes an envelope of $400 million, $50 million of which will be used to subsidize loans to farmers, the remainder, or $350 million, will help home owners who cannot bear the high mortgage costs and will also be used as an incentive for home building. Also, home owners will be able to obtain a government guarantee for their loans with lending institutions.

With regard to small and medium-sized businesses, which are the major job creators in this country, the budget provides for a one-year extension of the Small Business Development Bond program. The program will also be extended to include not only corporations but also small unincorporated businesses and farmers. Also, loans will be granted only to businesses experiencing financial difficulties. With this much appreciated and sought after program, the cost of financing for those who will take advantage of the program will drop six to eight points. My first reaction to these measures was somewhat mixed as I thought the amounts were not enough to encourage the construction of new housing units. But upon reflection, I realized that because of the government's determination to lower the deficit, combined with an anti-inflation strategy, the upward pressure on the interest rates would somewhat be eased.

To manage, Mr. Speaker, is to plan and to make choices. I for one go along with the decision to fight inflation and higher interest rates rather than to support measures that could worsen an already bad situation.

Before concluding, I would be remiss if I did not say how satisfied I am with the budget of the Minister of Finance with respect to the provisions aimed at helping farmers. Unlike many people who would do away with any form of agricultural assistance, I maintain and will always maintain that we must continue, as we have always done, to give our support to Canadian agriculture, one of the most productive in the world. In conclusion, Mr. Speaker, I would suggest that the Progressive Conservatives and the New Democratic Party would probably have preferred a budget which I would describe as a