

**Mr. Dinsdale:** And the government steals all those good ideas.

**Mr. Lang:** I take it the hon. member's remarks do not fall into that category. He talked about windfalls in our policy. He did not seem to see the windfalls in his. He suggests that there should be a direct bonus to employers in all sectors of industry, for increasing employment. I wonder how he would distinguish between those increases which would take place in any event and those which take place as a result of special effort on the part of the employer? I do not know how he would do that. Indeed, he did not deal with the rather strange situation that would result from those industries which are strongest, most able to grow and most able to hold their own in international competition, receiving the maximum of help under such a plan, whereas those which are most vulnerable and are struggling to survive in the face of competition would receive almost none. I take it that in this idea he has not received the blessing of his colleagues who seem to be more responsible in matters of finance. They are busy, in the meantime, trying to decide what size of deficit would be appropriate in present circumstances to provide a sufficient degree of expansion through the budget.

In making his proposals in the budget, the Minister of Finance (Mr. Turner) tried to strike a balance between stimulation for purposes of employment and undue stimulation which would encourage inflation. He was exercising important judgment on what was the right amount of expansion needed for our economy. Hon. members opposite suggested that the deficit should be greater, which is not surprising, since, when the government does anything, the tendency of the opposition is to say that it should do more.

The hon. member for Edmonton West (Mr. Lambert) was provoked during his speech to name a figure. When asked how large a deficit the Minister of Finance ought to have brought in, the hon. member suggested that it should be, "perhaps \$2.5 million or perhaps \$3 billion". I see a spread of half a billion dollars there, yet I suppose we are to believe that the half billion dollars difference between the suggestion of the hon. member for Edmonton West and the proposal of the Minister of Finance in the budget is crucial, or very important. I note that the hon. member for Don Valley did not name a similar figure. No doubt he will, one of these days, come in with a new and different version of what ought to be done. I understand the hon. member for Saint-Hyacinthe (Mr. Wagner) was more generous in this regard, having suggested that \$4 billion perhaps is the right figure. So, the Minister of Finance had better take note before he prepares his next budget; the bidding is under way, and almost any figure seems to be right. The figure that the Minister of Finance included in his budget was one that he had arrived at after judging carefully what was right for the country.

The hon. member for Prince Edward-Hastings did something else which I found remarkable and interesting. He talked about the negligible difference between the proposed income tax reductions and the situation if the 3 per cent reduction had remained in force from the previous year. Perhaps he suggests that the reductions are negligible, because for those with incomes over \$50,000 a

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year the reduction in income tax under this budget is 3 per cent, which is what it would have been if the 3 per cent surtax had remained in place. So, for those with incomes of over \$50,000 a year, there is no change. However, it is significant that for a great number of other Canadians, namely, those with the lowest incomes, the reductions are much more significant and, as the Minister of Finance has pointed out, they are in total worth about four times as much as the previous 3 per cent reduction would have been worth.

Hon. members of this House should focus their attention carefully on reductions in the total amount of tax for those in the lowest brackets. Those reductions are significant. The reductions are also significant for those in the middle income brackets. The wage earner with \$7,000 income is to receive a tax reduction of approximately 10 per cent. This is important and this is the right direction in which tax reductions ought to go. It is that aspect of the budget to which I particularly want to direct the attention of hon. members. It is specifically in keeping with the traditions of the Liberal party of the past that we continue to improve the progressive nature of our tax system and attempt to reduce the burden on those in the lower income categories who can bear it least.

**Mr. Dinsdale:** Oh, come off it!

**Mr. Lang:** In doing this at this time the Minister of Finance has given the greatest part of the benefit to the lower income Canadians who are wage earners, or to Canadians with low incomes, wherever they may be.

**Mr. Dinsdale:** The minister begins to sound more and more like Edgar Benson.

**Mr. Lang:** Therefore, the greatest amount of tax reduction will affect those regions where the taxpayers are in the lowest income categories. The minister has thereby provided for a tendency for greater expansion in those areas where incomes are lowest, where unemployment normally is highest and where expansion is most needed.

**Mr. Dinsdale:** But this budget will not cure unemployment, Mr. Speaker.

**Mr. Lang:** In keeping with that principle this budget provides for an increase in equalization payments; for here, too, the government is following traditions which were developed by previous Liberal governments and saying to all Canadians that, just as individuals who have most must bear the greatest burden of running this country so, too, those provinces, those areas, which are most prosperous when taken as a whole should assist those other areas where cost payments are highest and where tax revenue is proportionately lowest.

At present our government pays large sums of money to provinces under a variety of programs, many of which are cost-shared. Under those programs we pay as much as 50 cents on the dollar for post secondary education, hospital and medical care and the Canada Assistance Plan, to name the principal programs. Under all these programs, the payment made is equal to half the cost. Many of the poorer provinces have proportionately higher responsibilities than the more wealthy provinces, because of the