

\$200 a year, is reduced automatically commencing in the 1984 tax year so that it is wiped out by the end of 1986. That is a significant increase in taxes. Perhaps he would like to look at Clause 63 of the Bill. He might look at the clause with respect to the freezing of the allowance of children. At the present time, children can be charged as a deduction at the rate of \$710. We are sure that inflation will carry on with the economic pattern of this Government, yet that \$710 is frozen. It is no longer indexed.

At the same time perhaps he could explain how we help the less advantaged. As he knows, while the child tax credit is increased to \$343, it is dependent on an indexing factor. While the credit is indexed, the amount of money that allowed a person to claim that credit is not indexed. It is frozen at \$26,350. The net result is a very significant increase in taxes. Perhaps the Hon. Member would like to correct his speech or remarks accordingly.

[Translation]

Mr. Loiselle: No, Mr. Speaker, the Hon. Member's question gives me an opportunity simply to restate and re-emphasize what I have already said. He is somehow confused as to the dates. There actually is a tax reduction in 1983, and it is a fact that there will be tax increases by the end of 1984. But as far as 1983 is concerned, there is indeed a tax decrease, as the Hon. Member is aware. And this is besides certain specific provisions, either on employment expenses or child care, the end result of which being that a number of Canadians will not pay higher income taxes, and some will pay even less. The Hon. Member certainly will recognize that.

[English]

Mr. Blenkarn: Mr. Speaker, I was quite intrigued with the way some Canadians are going to be getting significant deductions. As the Hon. Member knows, those who are able to purchase through the market special recovery shares with the investment tax credit will get a benefit. Those who buy R and D shares for scientific research will get a 50 per cent tax credit. That will help them considerably. How will it help the businesses that do the investing? He pointed out that when a small business makes an investment, there is the possibility of a 40 per cent recovery of investment tax credits. However, if the business issues shares to cover that investment tax credit, the fat cat down the street who buys the shares will get 100 per cent of the tax credit in his hands. How does the Hon. Member feel that that is fair and the way we should be going?

[Translation]

Mr. Loiselle: Mr. Speaker, I am afraid the Hon. Member has decided to ignore almost all of the data obtained from specialized agencies such as OECD, which said just recently that the problem that will be facing Canada as early as the end of 1984, probably will be one of equity, when private sector investments will start picking up. Therefore, because of these fiscal measures allowing in the final analysis people with savings, such as the Hon. Member who, I know, is a taxpayer

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who often has dealings on the stock market, there has to be incentives in order to attract to the equity market the savings of Canadians who enjoy more or less the highest rate of all industrialized nations. When the Hon. Member asks how this can help a corporation as such—he seems to be concerned with the fact that we are helping the shareholder rather than the corporation as such—if we want to help the corporation, help it get all the equity needed, the venture capital it needs, there must be incentives for people with savings to become shareholders.

[English]

Mr. Fisher: Mr. Speaker, with regard to the comments of the Hon. Member for Mississauga South (Mr. Blenkarn), there are two points worth noting which he deliberately overlooked. First, as we generate business health, we generate jobs and employment. I see the Hon. Member laughing. Clearly the theme of jobs and employment is a joke for him. However, as pointed out by my colleague, the need for equity is clear among businesses in Canada. We need to get businesses away from debt and into equity so that they are paying out dividends instead of non-productive interest payments.

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Second, I think the Hon. Member should be admitting and noting that the package of tax relief in this budget has been extremely well received by the very businesses that he says are not being helped. The small business, the growing business, the business in need of relief from its losses, have all clearly told the Government to keep on doing what we are doing.

As a supplementary comment to the Hon. Member's comment about favouring certain people, I would say that it might be helpful to keep some of this in balance. I would appreciate hearing some comments on this matter from my colleague on this side of the House if he wishes to add any more.

Mr. Blenkarn: Mr. Speaker, it is amazing that it is good for a business to be entitled to have 40 per cent of its tax credit paid to it. That is okay, but we are going to allow an investor to have 100 per cent of that tax credit in his pocket. Somehow the business is only entitled to 40 per cent of its earned tax credit but the investor is, all of a sudden, able to grab the whole tax credit, and that somehow helps business. It certainly helps the big investor and the passive investor. It certainly helps the friends of the Government.

I would like to move on to another matter which was of some interest to me and I would like to get a commitment from the Hon. Member. The Registered Home Ownership Savings Plan provides that money can be withdrawn from such an account in order to buy furniture but it must be withdrawn by December 31 of this year. If that money is not withdrawn and spent by December 31, the provision of the Act is no longer applicable. In view of the fact that the Act is only now before the House and that we hope to be able to pass the Act through the House by Wednesday of next week, that does not leave us very much time. Would the Hon. Member support an amendment which would enable the purchase of furniture with