

*The Budget—Mr. Gray*

million over the next three years. These and other parts of the energy program offer very exciting industrial prospects which I believe all Canadians welcome.

More broadly, the national energy program will involve incremental direct expenditures by the federal government of more than \$8 billion over the next three years on new and expanded programs, and that is quite apart from the allocations made to continue existing energy programs. It will involve many millions more in tax expenditures. It should be clear from what I have said about the impact of the elements of the energy program on industrial development that a substantial portion of these amounts will have direct and meaningful effects in strengthening and expanding the industrial base throughout Canada. Particularly in combination with the new government policy measures already announced, as well as those under development in the area of industrial strategy, the new expenditures on energy will go a long way toward ensuring that the benefits of Canada's energy development boom can be shared by Canadians in every region.

I have been talking in some detail about the industrial development implications of the new national energy program, in part because I wanted to deal with any misunderstandings which may have arisen as to the extent of the government's commitment to industrial development as expressed by the budget. That there is such a commitment and that it is a priority commitment is fully demonstrated in my view by the over-all approach of the budget which devotes very significant new resources for industrial development purposes. I have just spoken about the very substantial sums in the energy package which are industrial development and industrial assistance oriented, but in addition the budget presents other details about the expenditure plans of the federal government in regard to helping Canada's industrial sector meet the challenge of heightened international competition as well as our own requirements for strong, regionally-balanced economic growth.

The economic development envelope is increased by 22 per cent, that is, over the next three years there will be new money totalling \$6.5 billion available for economic purposes in order to improve existing programs and to launch new initiatives in support of industrial expansion, research and development, and export development. All these program initiatives will involve not only the manufacturing and processing sectors, but also the primary industries which are so important to Canada's economy. A new western development fund within the economic development envelope is created, from which it is expected that \$2 billion will be spent over the next three years. Particular attention in the western development program will be directed to infrastructure development such as grain handling and transportation which is essential to optimizing economic development opportunities throughout western Canada. Also industrial diversification and trade policies are priority targets for the planned western development expenditures. It should be obvious that these expenditures, given the existing regional distribution of industry in the country, should gener-

ate significant flow-through benefits to industries in eastern and central Canada.

In addition to the \$8 billion in new expenditures in the energy program and the \$6.5 billion which represents new money available to foster expanded industrial activity and industrial restructuring to promote productivity improvement, there is another special \$350 million fund created to help industries, workers and communities where the effects of industrial adjustments are particularly serious. As well, complementing the direct expenditure program, the budget introduced a new investment tax credit which is established for five years to offer significant encouragement to new manufacturing investment in especially designated areas of the country characterized by high unemployment and low income.

Over all, I believe this list of new and increased allocations of funds by the federal government to industrial development, adjustment and expansion throughout the country is impressive enough to have led the *Toronto Star* economic editor, Dave Crane, to conclude in a recent article that there are "significant new opportunities for Canadian entrepreneurs over the next few years."

In coming weeks and months, my colleagues and I will be making announcements which will explain in further detail the ways in which the very substantial amounts made available by the government and announced in the budget will be expended in order to strengthen and broaden Canada's industrial base and to create and sustain jobs throughout the country. With these announcements the government will be fulfilling the commitment made by the Prime Minister during the election to the Canadian people to "revitalize Canada's industrial capacity so that our industrial sector is better able to create jobs at home and be competitive abroad".

This is a budget which lays the foundation for carrying out our specific pledges on industrial policy. As well it is a budget which lives up to our other commitments on energy, on government expenditures, on gradual reduction of the deficit, and on helping those first who need help most. Also it is a budget which provides the basis for the renewed growth and vitality of our nation's economy. For all these reasons, I urge the House to support this budget. To do so in the interest of all Canadians and all of Canada.

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

**Mr. Deputy Speaker:** Is the hon. member for Hamilton Mountain (Mr. Deans) seeking the floor on a point of order?

**Mr. Deans:** Since the minister did not use his time entirely, I was wondering whether he could accept a question.

**Mr. Gray:** I have no objection, Mr. Speaker.

● (2110)

**Mr. Deans:** In a reasonably friendly way, I would like to ask the minister whether in the preparation of his budget speech he considered two things. One, how much of the \$44 million available during this year for assistance to workers will be