

reality was very harsh for most of the electorate. The majority had to bear the cost of programs set up for a small minority. The transparency and equity of the budget brought down by the the Minister of Finance (Mr. MacEachen) was rather obvious the day following the budget, and in that connection I should like to quote a few headlines in the main French dailies on November 13.

● (2130)

Le Droit: Two targets of budget:

The rich and the provinces will pay

—MacEachen's budget: For 12 million taxpayers, \$210 less on average.

Le Devoir: Modest aid to home owners—

MacEachen removes fiscal loopholes.

Business will pay 25 per cent more to treasury.

Journal de Montréal:

—\$350 million for home owners

—No tax increases for most taxpayers

—Tax cuts for small and average wage earners

—How the rich get caught

—Ottawa at war with tax evaders.

La Presse:

—MacEachen's budget: Ottawa will make the wealthy and the provinces pay

—End of tax havens

Thus, most Canadians will enjoy quite substantial and significant tax cuts, while the rich and wealthy will be hit by tax increases. Inflation contributes in many cases to make the rich richer and to impoverish dramatically not only small wage earners but also the middle class.

That vast majority of electors who are becoming increasingly vulnerable to high interest rates and inflation had to be taken into consideration. The fiscal renewal, or Canadian taxation reform, shall in the next few years restore the balance required to allow people to cope with the dramatic effects of inflation, those Canadians who, in many cases, were the favourite targets of the taxers because of their numbers. They can now reckon with that fairness and equity in the way the tax load is distributed.

Some hon. Members: How true! Hear, hear!

Mr. Tardif: Those tax cuts will doubtless be especially welcome to Canadians in Quebec who, in recent months, have been riddled with a lot of indirect or camouflaged taxes, in many cases, hypocritical taxes: I mean, amongst others, the increase in hydro rates, automobile registration costs insurance premiums and various other administrative costs. Contrary to

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the principle of equity on which this budget is based, Quebecers who already carry the heaviest tax load in Canada, also have to face shocking cost increases in various forms, and that whether or not they can afford to pay.

In my humble opinion, that is the aspect of the budget which is the most outstanding. All the more so that the budget is brought in at a time when the majority of experts agree on the need to reduce the areas of government spending which have direct effects on inflation. Those same economic experts give as much weight to the need to reduce government debts. The November 12 budget clearly meets the need for restraint. The government, on the one hand, will cut its spending from 20.6 per cent of the gross national product in 1981-82, to 19.2 per cent in 1985-86 while, on the other hand, reducing the federal deficit to a considerable extent during the 1982-83 fiscal year. In fact, under the budget, financial needs which represent 3 per cent of the GNP this year, will decrease to 1.7 per cent in 1982-83 and to 1.2 per cent in 1985-1986. In other words, the deficit forecast for 1980-81 was \$12.2 billion. In fact, it amounted to \$10.1 billion, that is, \$2 billion less than expected.

Mr. Parizeau, in Quebec, should perhaps follow the example of the Minister of Finance or seek his advice. For next year, 1981-82, the deficit forecast of a year ago, which was \$11 billion, should in fact amount to something like \$9.8 billion. Within a few years, if Mr. Parizeau remains Minister of Finance for Quebec, the deficit of the province may very well exceed that of the central government. Of course, such a determination to reduce government spending to that extent, for the good of all, naturally has an impact.

Of course, I should have liked to see more money allocated to new housing starts. I should have appreciated a more generous financial assistance to Canadians who now or in the near future must renew their mortgage. On the other hand, I am fully aware that such measures would have considerably impeded the fight against inflation. In my opinion, Mr. Speaker, that is the gist of this debate in the House. Should we spend billions of dollars to set up new programs? Should we increase considerably government spending? Should we increase the deficit? Should we increase the tax burden of Canadians to finance part of these expenses? An affirmative reply to these questions would mean a still more dramatic inflation in the near future. The Canadian dollar would take a dive and interest rates would rise and not fall. As a direct result of this policy which appears to be the only one sought after by the Progressive Conservative Party and the New Democratic Party, the average voter at whom the new budget is aimed, would be literally choked, would become extremely vulnerable and sooner or later absolutely incapable to meet his most basic obligations. On the other hand, a negative reply to these questions is to demonstrate responsibility and maturity, because we have reasons to believe that the rate of inflation will decline very shortly, which means that Canadians will