

The Budget—Mr. Andras

nothing to do with that government's policy? Let us not talk about fudging or cooking the books in that game. It is not a reduction in the cash deficit as a result of government expenditure restraint, but as a result of a massive increase in taxes. We all know upon whom the burden of those taxes will fall. The accrual of pension funds was a lucky break.

I do not think that any sophisticated analyst upon reading that document would argue that the government and the President of the Treasury Board are earning their kudos by being tough managers and balancing the books by restraint. Instead, they went in the opposite direction and raised taxes but had a lucky break with regard to pension funds.

The Conservative party neglected to mention in this budget one of the promises which it floated past the Canadian electorate in May, and that is the general tax cut of about \$2 billion. There is no sign of it in this budget. With the increase in taxes of \$3.5 billion next year, considering that the budgetary deficit will change hardly at all and that the cash deficit will come down by sheer accident as a result of those other cash flows, where is that extraordinary increase in taxes going? It is going into the fetish and priority demand of the Conservative caucus, the mortgage interest deductibility program.

Just a few days ago outside this House, the Minister of Finance said that the mortgage interest deductibility plan was not his priority, and that even though the rest of his party thinks that it is a pretty hot thing, he does not. But the minister came back into the House the next day and said that the mortgage plan was the greatest thing since sliced bread. The government is using closure, before the bill has even gone through committee, to indicate how much they think of that plan. It is a very bad misallocation of resources.

There is very little reference in this budget to international trade. I am glad to see that the Minister of State for International Trade (Mr. Wilson) is in the House today. The government wails about the balance of payments, the invisibles and so forth. The only thing that it has done is to export a lot of our natural gas. One would expect from the reputation of the big "C" Conservatives that they would be good at wheeling and dealing abroad, at getting contracts and sparking up the export effort of this country.

I read a speech by the Minister of State for International Trade the other day in which he boasted about a task force on the export policies of the federal government. The minister knows full well that that task force was put in place long before he assumed office. I hope that it works. I have no objection to the government's using these ideas and mechanisms and ensuring that they serve the purpose for which they were intended when we put them in place.

Let us talk about what has happened in the world of international trade. We have the timid trio of trade—the senator in the other place who could not make it on his own, the Minister of State for International Trade and the Minister of State for Small Businesses and Industry (Mr. Huntington). They are bad enough, but then we have the Minister of Energy, Mines and Resources (Mr. Hnatyshyn), who gets into the act or stays out of it, the Secretary of State for External

[Mr. Andras.]

Affairs (Miss MacDonald) and the Prime Minister, all of whom are making statements. We are now in a fundamental position where one of our most important problems and opportunities is that of solving our current account imbalance.

What is the record of this government in international affairs of this nature? They started off behind the eight ball by having blown millions, if not billions, of potential contracts and jobs in this country by their cynical suggestion of moving the Canadian embassy in Israel to Jerusalem. There is no question that it will take a great deal of work and a long, long time for Canada, because of this government, to recover any basis of negotiation in the Middle East that makes any sense whatsoever. By that stupid, immature, cynical, one, single vote-getting promise they made, they have done a great deal of damage and they know it.

The government talks a great deal about energy self-sufficiency in the 1980s and the 1990s. They are talking about a goal which is ten or 15 years away, and we need oil supplies now. Everyone will admit that there is a possible heating oil problem this winter.

Mr. Wilson: Where were you a few years ago?

Mr. Andras: Where was I a few years ago? Well, I will get into that with the minister. Let us take one precise example. Last spring, the former minister of energy went to Mexico and Venezuela. He went for two purposes. One was to shore up oil supplies and decrease our dependency on Middle Eastern oil for the short-term ahead, the next five to ten years.

Mr. Wilson: He went there to grandstand.

Mr. Andras: Hon. members may want to listen to this because they may wish to adjust their policy and take some constructive advice for a change. The former minister of energy went to Mexico to arrange a contract for 50,000 barrels of oil a day with delivery starting in 1980, and 100,000 barrels a day with delivery starting in 1981. The Mexican government was not all that eager to make such a commitment because they were not ready to mass distribute their oil supplies until they had the financial arrangements worked out. Because of the special relationship between Canada and Mexico, they agreed to make this commitment, and not at gouging prices.

The other purpose for going to these countries was to establish a framework for a reciprocal trade agreement with regard to Canadian exports. We are talking about \$6 billion both ways in this contract. That is not a small sum. The framework was there. The agreement was initialled and negotiated with the President of Mexico and the former minister of energy, mines and resources. It had only to be ratified and implemented. The President of Mexico had been invited here for that purpose but his visit was understandably interrupted by the election.

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A country like Mexico that is going to grow, that has a special affinity, respect, affection and a high priority for Canada-Mexico trade, was treated this way. My information is