

The Budget—Mr. F. Hamilton

No, Mr. Speaker, I suggest that the people of this country will consider the responsible statements of the Minister of Finance. They will see where this country stands after ten years of Liberal government, and I suggest they will reject the gloom and doom we hear from the opposition and once again demonstrate at the polls just where they think the Tory party should reside.

Mr. Frank Hamilton (Swift Current-Maple Creek): Mr. Speaker, I welcome the minister's assurance that our banking system will now use the new Small Businesses Loans Act, because in the past it and the Farm Credit Act have been major stumbling blocks. Our banking system has been hesitant to use those two acts.

If I understood the minister correctly, he said that last year some \$80 million was lent under the Small Businesses Loans Act. At the maximum rate of \$75,000 per businessman, that amounts only to just over 1,000 loans, so I think that is not a record to be proud of.

It seems obvious that this parliament is winding down. The sooner we go to the country, the better, because this government has almost overwhelmed Canada with its permissiveness, disunity and economic incompetence in the past decade. The budget indicates no basic change in the philosophy of this government. Generally speaking, if you tax something, you get less of it; if you subsidize something, you tend to get more of it. The approach of this government is still the same. It continues to tax work, growth, investment, employment, savings and productivity and to subsidize no work, consumption and debt. Ten years is enough!

Ten years ago we were a nation proud of our heritage, confident in our capabilities and purpose and sure of our direction and destiny in world affairs. It was this confidence and purpose which held together our widely scattered provinces and racial groups. Today, however, this spirit of national unity and purpose has given way to doubts, fears and uncertainties in every province.

Even ten short years ago there were few Canadians who were not convinced that Canada had the capacity, resources and will to survive as a strong and independent North American nation. Any suggestions of separation or of joining with the United States would have been ridiculed. Indeed, we assumed that the rest of the world envied the strength of our judicial structure, the soundness of our banking system and economic policies and the integrity and reputation of our police forces. Our stability, respect for law and order and educational standards were all matters of great pride.

However, in the span of only a few years much of this solid structure has crumbled, and we now find ourselves groping and wondering just what has happened so suddenly. Canadians are weary of inflation, bureaucracy, political scandals and the false promises of our leaders. They are tired of the shopworn government we have which no longer commands respect. People generally are sick of the new morality which seems to have something in it to offend everyone.

[Mr. Abbott.]

What are the answers, and is a cure possible? If we continue this downhill slide while at the same time having resources of all kinds, we are certainly headed for an ultimate bust if we do not learn a few simple lessons. The picture may be bleak, but it is not hopeless.

Canada is one of the wealthiest nations on earth, yet we look with envy upon the Arabs. We over-react to the significance of their energy wealth. Certainly they have oil, and lots of it, but they are lacking in many resources, particularly the human resources which we have in Canada.

In Canada we, too, have oil and natural gas. We also have tremendous forests, agricultural reserves, coal, iron ore, nickel, lead, uranium; you name it. And probably the greatest wealth of all, not often thought about, is our water. Imagine what the Middle East would give for an ample supply of fresh water. The Arabian countries have lots of oil, but they are short of welders, electricians, carpenters, engineers, chemists and pipe fitters. We have them in abundance, and it is this great Canadian resource of skilled people that we have to take advantage of.

The Japanese have virtually no resources. All they really have going for them are about 90 million workers who have some incentive to work. Imagine what our agricultural producers and small business people could do if they could just have a tax-free kitty to put a few dollars into in good years, to be drawn upon in poor years.

We have to upgrade the resources which leave this country. The natural gas which goes south to the United States comes back in the form of plastic. Wood from our forests goes south and across the Pacific and comes back as furniture or plywood. Our coal and iron ore which go to Japan come back as Toyotas. Probably half of the goods purchased by our overtaxed workers is made elsewhere, from coal, oil, natural gas, wood or other materials, extracted from this country.

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In order to upgrade our raw materials we must have a climate to encourage investment in Canadian manufacturing. Since the end of the World War II we have visibly lost strength and status among the world's more powerful industrial nations. We have tended to concentrate on redistributing the wealth we have rather than creating new wealth.

We may well look at Germany's economic miracle after World War II. They proceeded on the basis that it was easier to give everyone a larger slice out of a bigger cake than to gain anything by fighting over the division of a smaller cake. The German government did three things: the first was to abolish state planning and end price controls; second, they established freedom for the consumer to buy what he likes and recognize his freedom to work with or without union membership as a basic right of every citizen; third, they encouraged greater productivity of goods to help bring down prices. They established a 48-hour work week and overtime wages were made tax free.

We cannot find a solution in Canada by still more spending and more borrowing for social services and less individual