

the unemployed with dependents because of a loss of revenue.

With regard to job creation, I should like to point out, Mr. Speaker, that there exists an enormous need in this field due to the high rate of unemployment which tends to persist and which we should make every effort to reduce, because it will have a paralyzing effect on our economic growth.

Indeed, most people have become aware that several of our major industries must reduce their staff or temporarily suspend some of their operations because of the present market situation which increases unemployment considerably. One only has to take a close look, for instance, at the automobile industry which is experiencing a serious slowdown and which will be affected to a still greater extent by the increase in the price of gasoline. Lately, our pulp and paper companies have been experiencing cut backs in orders which forced them to make special arrangements. For example, the Abitibi Paper Company Ltd. stopped production somewhat at two of their mills in June; so did the Quebec North Shore Paper, at Baie-Comeau. Therefore I was happy to see the minister of finance emphasize job creation and the large amounts he has provided for that purpose. However, I would like to draw the minister's attention on the contradiction in this budget between the will to create jobs and the fact that at the same time, he wants to curtail the expansion of the public service. Perhaps the minister could give more explanations on this subject.

On the other hand, we must say we are satisfied with the 285 million dollars allocated for the new Local Initiatives Program focused on the needs of the municipalities, because they need help badly at the present time.

These are the main issues I wanted to deal with, for the time being. Now, if we consider the budget on the whole, we come to the realization that it is very weak and is only meant to keep the country afloat until the present storm, hopefully, abates a little and finally ceases altogether.

If we compare the Canadian economy with that of other western countries, we are forced to admit, Mr. Speaker, that it is in a relatively healthy state. This is due mainly to our plentiful agricultural production and natural resources and it is expected to last as long as consuming countries retain the ability to pay for our products. We must not overlook the recession which has severely stricken all countries in the world and may one day compel them considerably to cut down their purchases of our raw materials and manufactured products, which would place us in a precarious position, namely declining productivity and increasing unemployment and so forth. On the other hand, we must also keep in mind that there are at present enormous foreign investments in Canada, which binds us, so to speak, to the fluctuating world economy and particularly to the tottering American economy. Then, I think that unfortunately we must recognize that to a very large extent our future does not depend anymore on what we do or on administrative provisions but on the fact that Canada follows the lead of the world economy.

This is probably why this budget made us realize that this government can no longer plan a long term policy because it must use every effort to maintain its balance under the pressure of the world economy turmoil.

The Budget—Mr. Beaudoin

Within the margin of action it has left, the government could be blamed for its lack of firmness and dynamism in dealing with all economic problems.

The time has certainly come to adopt drastic and efficient measures like those that we have seen proposing for a long time. Yes, it would be time to establish a guaranteed income system that would give security to Canadian citizens in this difficult period. Yes, it would be time to reduce to 60 the age for voluntary retirement which would create several employment opportunities for the young people that this government supports through unemployment insurance or social welfare. Yes, Mr. Speaker, it would be time to finance municipalities and school boards without interest to let them take a breath. It would be time to take such measures, but I am afraid that once more this firefighting government we have at the federal level will arrive with its solutions when the fire has destroyed everything.

This government sometimes takes excellent measures from our proposals but often it is too late. It was again the case for the last budget presented by the minister last November. The minister will recall what I told him at that time:

Several of the proposed measures are good, but they come too late to give results.

And last Tuesday, June 17, in the Senate, Senator Maurice Lamontagne said that the economic forecasting of the federal government in the last 20 years was always wrong and had disastrous effects.

As a result, government action has always been too late and has thus contributed to intensifying both cyclical inflation and unemployment rather than attenuating them.

Mr. Béchard: Someone else may have another opinion!

Mr. Beaudoin: Yes, sir. This is why we are parliamentarians.

Consequently, governments have always acted too late to fight the effects of recession and this is what I fear will happen once again.

Moreover, this government takes a very narrow attitude in its budget. First, it gives no specific diagnosis of the general situation of the Canadian economy. It simply announces higher prices for gasoline and heating fuel and offers as a compensation the timid and unsure infusion of millions of dollars to try to bolster the economy. Second, the cost of living goes up by 2 per cent simply because of the stiffer gasoline prices, not to mention the expected increase in the cost of food and other goods. And the Minister of Finance dares to ask workers to restrict their salary demands. Where is the logic in all this? When we take the trouble to make a serious analysis, we find that the speeches of the Minister of Finance do not change much from one time to the next and that the one we are now considering is mostly a good stylistic exercise about our national economy. In fact, we can sense that the government is in a hurry to adjourn the proceedings of the House for the summer to prevent members of Parliament and the press from talking too much about this meagre budget.

To sum up, we can therefore say that those who will lose more because of the budget are the average Canadians