

telegram from the Association provinciale de l'industrie du bois ouvré du Québec Inc. which represents the interests of 450 door and window manufacturers in Quebec. They are dissatisfied. This is what the telegram has to say:

We strongly object to the 5 per cent tax imposed on materials exempted since 1975. As there was no prior consultation and as no valid reason was given for this modification, we condemn this action and want to see this discriminatory measure withdrawn. The immediate implementation of this 5 per cent tax has had serious consequences for all the people involved. At least a month's notice could have been given and many problems would thus have been avoided. Since your government wants to improve the situation of the Canadian construction industry, we cannot understand this action which will cause perturbations on a market already much affected by the slowdown in the construction industry, and we deplore the fact that all will have to pay for this decision, including manufacturers, builders and consumers.

This is signed by the general director of the association.

I believe that this telegram is quite explicit.

As concerns research and development, the government has once again failed to do anything positive. In September the government announced cutbacks of \$20.5 million in 1978-79 and \$55.1 million in 1979-80 for research and development alone. How can we imagine that the 10 per cent tax credit for investment will do anything useful for research in small and medium businesses when the government hacks away at the budget of university and government laboratories? At this rate our industrial research will be at a complete standstill within two years if the government does not do something soon to rectify the situation in the field of basic research. The Social Credit Party of Canada believes that we need a valid policy of research and development with a budget representing 2.5 per cent of the gross national product before 1985, of which 50 per cent should be paid by the public sector and 50 per cent by the private sector.

Moreover, in his budget the Minister of Finance has forgotten a vital and important sector of our economy. Among all the government proposals, no mention was made by him of the agricultural sector. Does this mean that agriculture has so little importance for this government that it prefers to forget it? For instance, in 1975 the Minister of Agriculture made a commitment to index the price of industrial milk, but the government has come back on this promise once again this year. Indeed the minister confirmed this in the House when replying to a question asked by my colleague for Bellechasse (Mr. Lambert). This seems to have become a habit since the same thing has been done in the industrial sector as concerns the contract about the Laprade plant which was signed with the Quebec government. They had made a commitment toward the province of Quebec relating to the Laprade plant, but they failed to respect that contract and thousands of jobs disappeared. In the industrial field, they have created unemployment; in the case of milk producers, they are making them starve to death, little by little.

In order to improve the economic situation, the Social Credit Party of Canada believes that the Government of Canada should increase the purchasing power of Canadians in

### *The Budget—Mr. MacEachen*

the same proportion than as the increase in our gross national product. How? Through a 25 per cent discount on the purchase of any Canadian made product, through a national dividend and by lowering interest rates on loans. Interest rates were at 6 per cent in 1967, and they should come back at that level. We must keep in mind that when we say 1967, it means before the disastrous Trudeau government. The total exemption on personal income tax should be raised to \$5,000 per person and to \$1,000 per dependent child. Finally, as was proposed by the former Social Credit member for Portneuf, Mr. Godin, in January, 1973: "The government should give an income tax credit equivalent to the amount of mortgage interests paid on a family home and to the amount of municipal taxes up to an overall annual maximum of \$1,000." Those are all measures which would certainly have been more profitable to the Canadian people than that parodical budget which was brought in by the Minister of Finance last October 16.

● (1242)

[English]

**Hon. Allan J. MacEachen (Deputy Prime Minister and President of Privy Council):** Mr. Speaker, I would like to congratulate the Minister of Finance (Mr. Chrétien) for bringing forward a budget which has addressed in a responsible way the main problems facing the country. I also congratulate the new hon. member for Lotbinière (Mr. Janelle) for delivering his maiden speech. While I disagree with most of what he has said, I think his first effort was very creditable and certainly characteristic of the calibre of service we learned to expect from his predecessor with whom we had worked in the House of Commons for a number of years.

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

**Mr. MacEachen:** In participating in this debate I would like to address myself to four main subjects. The first is the northern gas pipeline, for which I have responsibility in the government.

The second is the multilateral trade negotiations, for which I have a co-ordinating responsibility in the government and about which a number of questions have been asked by hon. members opposite. I undertook for the hon. member for St. John's West (Mr. Crosbie) to make a statement, or that another minister would make a statement on the current situation with regard to these negotiations.

Third, I would like to make some comments about the irresponsible criticism we have been receiving from the official opposition regarding the acquisition by Petro-Canada of Pacific Petroleum Limited and, in particular, the unfortunate and regrettable reflections which have been cast upon the Deputy Minister of Finance in his role as director of Petro-Canada. Comments which have been made earlier in the debate with respect to the conduct of the Deputy Minister of Finance should be answered.

Finally, I would like to return to a subject which was raised by the Leader of the Opposition (Mr. Clark) in his speech on