

The Budget—Mr. Roberts

research and development facilities, to get back on the road to productivity and world competitiveness. And, like the business community itself, we can applaud these long overdue measures in this direction. We have been urging them, sir, for many months now. But even at that, there is only so much a leaner and hungrier private sector can achieve until people start buying.

That, sir, has to be the basis of our economic recovery. Until businesses and manufacturers start increasing their inventory, until consumers start purchasing the end product, until that comes about there will be no significant reduction in unemployment in this country. Yet what encouragement is there for consumers in this budget to start that whole process moving? There is precious little, according to the Consumers Association of Canada. It gave this Budget a C minus, and I would say it was being generous in doing that.

● (1125)

The biggest purchase which most consumers will make during their lifetime is their own home. As I mentioned earlier, there are measures promising a boom in housing purchase and building. There is the topping up proposal for the RHOSPs, the Home Ownership Stimulation Plan, the Home Renovation Plan and the Residential Rehabilitation Assistance Plan. Obviously, those are supportive measures and they are to be applauded. I have said that before and I now say that to the Minister responsible for housing. However, I want to give him a piece of advice coming from home owners; these measures do not amount to a critical factor in trying to trigger a boom in home building or home buying. What the potential home purchaser and owner wants more than anything else is confidence, confidence that the roller coaster of interest rates will not return two, three or four years down the road.

If inflation is truly beaten as Hon. Members opposite claim, if we are on the road to recovery as the Minister believes, then a program guaranteeing mortgage deductibility on payments over a given rate of interest would have cost the Government nothing, if that is what they truly believe. However, it would do more toward encouraging home buying and, therefore, home building than any of the measures which the Minister of Finance has placed in his budget. I see that the Minister responsible for housing is shaking his head. Obviously, he is not speaking to the same prospective home buyers as I am. It is the question of interest rates which is uppermost in their minds. It is the major concern of those who have lost homes and those who are still paying high interest rates.

Of course, the budget does provide for some direct initiative for consumer spending in the withdrawal provisions for RHOSPs. However, perhaps the Minister responsible for housing can explain why the Minister of Finance did not stipulate in that measure that the provision would apply to goods, furniture and appliances made in Canada. Why did he not add that provision? Why not boost our own manufacturers? Why not put them before others? That would have immediately stimulated and triggered jobs here in Canada. Surely that is what the Minister of Finance said was his dominant concern in the budget. When he had the opportunity to do something about it, why did he not direct that one

measure to the whole question of job creation for Canadians in Canada?

Thomas Maxwell, the chief economist of the Conference Board of Canada, points out that firms will only begin to invest when they can see that consumers are beginning to spend. Without that spending by consumers, he concludes, there will simply be no durable recovery.

I can see that Your Honour is awaiting the conclusion of my remarks, but I would like to say that without that commitment by consumers, that encouragement of consumers to spend, there will be no real improvement in the tremendous unemployment situation that we face in the country today. The Government simply did not come to grips with that in the budget.

Mr. Deputy Speaker: Are there Hon. Members rising to ask questions of the Hon. Member who has just spoken? If not, the Chair will recognize the Minister of the Environment (Mr. Roberts).

● (1130)

Hon. John Roberts (Minister of the Environment): Madam Speaker, a few minutes ago my colleague, the Minister of State for Economic Development (Mr. Johnston), announced some of the details and fundamentals of the Special Recovery Projects Program which the Canadian Government is mounting as an important part of its response to the economic challenge to the country. That response is one of the major elements in the budget that was presented by my colleague, the Minister of Finance, which is a recovery budget. It is a budget which is designed to bring, and will bring, the country on track, to respond to our economic problems and particularly to create jobs in our economy. It is a recovery budget designed to create jobs both in the short term and in the longer term.

The rationale for that budget has been clearly expressed by a variety of Members in the House. It is a budget based on the belief that the strong motor force for creating jobs must be through the private sector's efforts. It is a budget designed to continue the efforts we have made in the past to create a stronger and more positive context for the private sector's activities.

There also is another important wing of our efforts, and that is through the federal Government's own activities to create jobs in the Canadian economy. We are not a Government imbued with a Reaganomic spirit which believes that only the private sector can create jobs and that the only responsibility of Government is to create an atmosphere in which the private sector can do so. We also believe as a Government that there are appropriate times for it to step in and directly assist in the creation of jobs within the Canadian economy.

The budget made it clear that it is important that the Government takes such steps now. While we may look forward to the impact of the very favourable changes which the Minister of Finance (Mr. Lalonde) has introduced to encourage the private sector and the investment intentions of the private