

more Provinces would do the same. We indeed will have Canadians working in this country, building all the types of projects to which the Hon. Member has referred.

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BANKS AND BANKING

CHARTERED BANKS' REFUSAL TO ASSIST SMALL MANUFACTURERS

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Madam Speaker, I have a question, surprisingly enough, for the Minister of Finance. In Tuesday night's budget the Minister quite correctly put great emphasis on job creation by both Government and private enterprise. At the same time, it is a known fact that many chartered banks in Canada have been refusing to provide project financing for small and medium-sized manufacturers. This has meant that these manufacturers could not pay for labour and material to fill a contract or order. Will the Minister of Finance take up this issue with the chartered banks? Second, what solution does the Minister have to overcome this serious difficulty which, if resolved, would go a long way to help provide more jobs and, indeed, more job security in the private sector?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would indeed be very pleased to raise the question of my hon. friend with the Canadian Bankers' Association. I will ask the Superintendent of Banks to pursue this matter as well.

I can tell my hon. friend that I had a conversation this morning with a representative of the Canadian Bankers' Association in which we discussed the general implications of the budget.

As far as the Canadian economy is concerned, I indicated that I expect the banking system in Canada to be very supportive of the thrust of the budget. I am quite encouraged by developments which have taken place recently, particularly the fact that the banks reduced their prime rate by half a point in the last few days. I hope that in the weeks to come, thanks to the greater confidence as a result of the recovery that is taking place, we will see further progress in terms of interest rates. The developments that have taken place recently have been very encouraging. It is up to all Canadians to ensure that this happens even more in the future.

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THE BUDGET

RESTORATION OF CONSUMER CONFIDENCE

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is directed to the Minister of Finance. In the budget the Minister predicts that record high unemployment will continue through 1983 and 1984. Many of the 2 million unemployed will exhaust their Unemployment Insurance benefits in the near future. However, at the same time the

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Minister is predicting an increase in consumer spending. Will the Finance Minister agree that consumer confidence will only return to Canada when Canadians see fewer and fewer of their friends and relatives unemployed?

[Translation]

Hon. Marc Lalonde (Minister of Finance): Yes, Madam Speaker, and that is exactly what is going to happen in the next two years. More and more Canadians will have jobs. I said that by the end of next year, 600,000 more Canadians will be working, compared to what the situation was at the end of 1982. I also pointed out that between now and 1984, there will be a gradual drop in the number of unemployed Canadians. There will be a net increase of 600,000 workers in Canada over the next two years, which is nearly the total number of workers in a city such as Toronto. This is a very substantial increase in employment, and I think that the general reaction of the market since yesterday is a clear indication that Canadians have more confidence in the future than the Hon. Member seems to have.

[English]

EFFECT OF INCREASED CONSUMER TAXES

Mr. Doug Lewis (Simcoe North): Madam Speaker, it is difficult for Canadians to square those figures of high unemployment with the figures that the Minister is now predicting. The Minister is increasing taxes on consumers to the tune of \$5.7 billion over the next four years. With so many Canadians concerned about surviving and about high unemployment, with these increased consumer taxes how does the Minister expect Canadians to run out and buy a new fridge or stove and thus fulfil his pipedream of increased consumer spending?

[Translation]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I will answer the Hon. Member quite simply that Canadians will indeed do well to incur those expenses now or at least between now and October 1984, since the manufacturer's tax does not become effective until October 1984. I have also pointed out that as far as, for instance, household appliances or furnishings are concerned, Canadians who have a Registered Homeownership Savings Plan may use the funds in such plans for the purchase of many appliances and furnishings they need. I hope this will encourage them to make use of this program and that they will purchase products made in Canada. I hope that Canadian workers will take advantage of this extremely attractive measure provided in the budget, which is, in fact, a very substantial tax benefit for Canadians.

● (1440)

[English]

EFFECT OF BUDGET ON VOLUNTARY SECTOR

Mr. Walter McLean (Waterloo): Madam Speaker, my question is also directed to the Minister of Finance. Would he