

The Budget—Mr. Wilson

That is why ministers and Members of Parliament will be enlisting the support and participation of all Canadians in moving from the 12 per cent world of recession to the 6 per cent world of recovery.

Some hon. Members: Hear, hear!

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, this is not a budget. It is another update of a budget which failed last November, and this one is going to fail again. We have a patchwork quilt of certain changes in the November budget plus a few other things the minister has brought in to try to address the very serious problems of the economy, but the solution is just not there. There is a crisis of confidence in this country, and this is not an action plan, as the minister has said. It does not address the crisis of confidence which is so serious in this country today.

Let me address some of the changes in the budget. The minister has brought in this budget eight or ten more changes in the November budget. I believe that totals somewhere between 35 and 40 changes the minister has brought in since the November budget. He has acknowledged the fact that that budget was a mistake and a failure, but he has not withdrawn the balance of the budget. That balance should have been withdrawn in total.

Some hon. Members: Hear, hear!

Mr. Wilson: This budget does not address the most important problem facing the country today. The minister has shown no understanding of the very serious nature of our economic problems. The budget deficit is \$20 billion, and the minister says this budget is brought in to address the problem of the size of the budget deficit. That means no more to Canadians than the fact that the minister has said that the November budget was a budget of restraint, and then went on to increase public spending by 22 per cent.

There were major mistakes in the 1980 budget and in the 1981 budget, and there are still mistakes in the 1982 budget. The problems have not been solved, but the damage which has been done to the economy by the changes brought in in the National Energy Program in 1980 and in 1981 by tax reform has been absolutely immense, but still the minister does not have the courage to say to Canadians: "I made a mistake—the last time around, and there are things in that budget I have had to change". Canadians were looking for that. They were looking for an opportunity to feel some sense of kinship with the minister. People do make mistakes, but the minister has not acknowledged that he has understood where he went wrong in that last budget, so he has robbed Canadians today of the hope they were looking for that there will be some turn around and some recognition by the government that there are policies which will bring us to the recovery the minister says is possible. Unfortunately, that recovery is a long way away.

The size of the budget deficit in itself will have a great impact on the confidence of people in the Canadian economy. The \$17 billion of cash requirements means that there will be \$17 billion worth of competition by the federal government for the very limited sources of capital available for small businessmen, home owners, fishermen, farmers and so forth. That is an immense problem. It will lead to higher interest rates. There is

no doubt about that. There is also no doubt, as even the Prime Minister (Mr. Trudeau) will acknowledge, that high levels of government spending and large government deficits lead to inflation.

Let us look at the saddest element of this budget, and that is the heartless impact it has on the average Canadian. Canadians are being asked to pay for the mistakes of this government in a very major way. There will be a personal tax increase next year of \$1.3 billion. There will be a 6 per cent personal tax increase through the loss of half of the indexation Canadians would have expected next year. In addition to that, through the change in the indexation factor in government spending, those who are on spouses' allowances and those who have disability pensions are being asked to pay for the mistakes of this government. That is a shocking answer the minister has given to Canadians. Less than two years ago the minister said to me, in answer to a question in this House: "I will not fight my battles against inflation on the backs of those who cannot afford it and on the backs of those who cannot fend for themselves". That is the type of minister that we have today. The minister has put forward a few job-creation programs, a number of which are a rehash of programs already announced. The fundamental message is that these are short-term programs, although there are not too many details so it is difficult to tell whether they will be effective. They have no relationship to training or to research and development in the ways that we know from work that has been done which show that they will provide lasting answers to job creation in this country. We need long-term job-creation programs directed at the long-term problems of the economy, but they were not in the budget.

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Much damage has been done by the delays that this minister has allowed to take place since his 1981 budget. For instance, 224,000 people have lost their jobs. In the six months since the last budget about 6,000 businesses have gone bankrupt and about 11,500 people have gone into personal bankruptcy. Behind those statistics are people who, in effect, have been excommunicated from our system because there is no new employment in the country. That is the cost of the delay and lack of understanding by the Minister of Finance (Mr. MacEachen) of the basic problems of the country today.

Let me comment now on some of the positive elements of the minister's speech, Madam Speaker. Since last November we have been asking the minister to bring in these positive measures. The Small Business Development Bond comes back in a new form. The mortgage tax credit program, which would have cost Canadians \$125 less per month on their mortgage payments, was defeated in the last election but now it is proposed to bring it back in an amended form. It will have basically the same impact. A proposal that was defeated in the 1979 budget would have helped Canadian companies broaden their ownership base in this country without having to go to