

The Budget—Mr. Deniger

households with the greatest need, while tax exemptions for capital gains on a taxpayer's residence will be limited to one residence per family so that the cottages and summer homes of the affluent will no longer be subsidized.

● (1720)

Some hon. Members: Oh, oh!

Mr. McDermid: Talk about restraint.

Mr. Deniger: Now comes the time to respond to both the NDP leader and the Tories. Let me start with the NDP leader. The Leader of the New Democratic Party (Mr. Broadbent) clearly exaggerates when he accuses us of Canadianizing "Reaganomics". I believe the hon. member for Broadview-Greenwood (Mr. Rae) was sincere when he said that the greatest problem facing the Canadian people today was economic insecurity. But is that the whole story, and is the only way to deal with it to spend billions more dollars on government guarantees of economic security than we already do? Is that why his leader called a \$350 million housing program a "puny response"?

However genuine the New Democratic Party's concern for equity and security is, it is inconsistent with, and undermined by, its \$1.5 billion housing program and its artificial reduction of interest rates, which would increase the deficit, devalue the dollar, fuel inflation and discourage capital from investing in this country and providing the jobs are so desperately needed.

This afternoon the Leader of the NDP told us about his great cure for high interest rates. In order to subsidize low interest rates, the NDP has proposed exchange controls to prevent large movements of more than \$5 million out of the country. This would damage Canada's international image and jeopardize its economic relations by inviting retaliation. Foreign investors would stay away in droves. It is an example of how controls lead to more controls. Controls are their answer for everything except union wages. The NDP leader has even admitted that his party might consider exchange controls on average Canadians trying to transfer as little as \$5,000 out of the country. Even Canadian vacationers would have their freedom of choice curtailed. That does not strike me as being the best way to provide equity and fairness.

[*Translation*]

The Progressive Conservatives also contradict themselves. Last October 4, Mr. Speaker, their financial critic said, and I quote:

[*English*]

This coming budget must pick first and foremost as its primary target and almost everything in that budget must be aimed at fighting inflation.

[*Translation*]

Yet, last Thursday night, the same member suggested that the \$50 million set aside for the Farm Credit Corporation was not enough and what was needed was \$500 million. Mr. Speaker, if we had those \$500 million, we would surely give them out, but as we all know that is over and above the entire

DREE budget and is an inflationary amount. The energy tax credit suggested by the hon. member is also an inflationary measure. You will also recall that the mortgage deductibility scheme supported by his party was not only inflationary, it was unfair and restrictive. When the hon. member for Etobicoke Centre (Mr. Wilson) speaks of a program that would apply to 220,000 housing units instead of 40,000, that is also inflationary.

The Leader of the Opposition was speaking earlier of other funding needs. He said that we should not have abolished some tax shelters because not only rich Canadians took advantage of them. Naturally, that is costly but still he wanted further tax credit measures, further exemptions and all sorts of tax shelters, even though the latter would have in fact prevented the government from collecting enough money to reduce its deficit and prevented over 6 million Canadian taxpayers from paying lower taxes.

I was keenly interested in the remarks made by some hon. members opposite a while ago when they said that we were the party of the banking interests and that we are in bed with them. And I find it still more surprising when I realize, just as all other hon. members of the House certainly do, that the deputy minister of finance who wrote the budget which caused the downfall of the previous Progressive Conservative administration is now a senior vice president of the Bank of Montreal. I certainly do not understand how hon. members of the Progressive Conservative Party would say all of a sudden that banks are Canada's worst enemies. It is a quite recent discovery. It is a sealed case.

We need only go over the questions which the members of the official opposition have been asking over the past few months to realize that they have no true economic policy and are trying every moment to please everybody. I should have thought, Mr. Speaker, that the experience in power of my hon. Progressive Conservative friends, however brief it was, would have made them understand. I should have thought, Mr. Speaker, that the Crosbie budget would have made them wiser. But no, Mr. Speaker; we need but recall the many economic debates held in this House to realize that their economic policy is as follows: Cut out everything except in my riding, which is utter nonsense, Mr. Speaker.

The problem facing the official opposition is also, to some extent, that which faces our society. Can economic growth and economic security go hand in hand? Professor Thurow of the Massachusetts Institute of Technology has written, and I quote:

[*English*]

Today, as never before, all policy solutions involve some degree of redistribution of income and wealth. And until we face up to this painful reality and learn as a society to agree on who should bear what costs, economic growth will continue to elude us.

That is the key to economic renewal, Mr. Speaker, as the Minister of Finance so eloquently explained. Everyone, from the forester in British Columbia to the Conservative politician in Newfoundland, seems to be in favour of competitive eco-