

The Budget—Mr. MacEachen

Messrs.

McKnight	Penner	Shields
McLean	Pepin	Smith
McRae	Peterson	Speyer
Mitges	Pinard	Stevens
Munro	Portelance	Stewart
(Esquimalt-Saanich)	Regan	Taylor
Munro	Reid	Tessier
(Hamilton East)	(St. Catharines)	Thacker
Murta	Reid	Thomson
Neil	(Kenora-Rainy River)	Tobin
Nicholson	Roberts	Tousignant
(Miss)	Robinson	Towers
Nickerson	(Etobicoke-Lakeshore)	Trudeau
Nielsen	Rompkey	Turner
Oberle	Rooney	Vankoughnet
Olivier	Rossi	Veillette
Ostiguy	Roy	Watson
Ouellet	Schroder	Weatherhead
Paproski	Scott	Whelan
Parent	(Hamilton-Wentworth)	Wise
Patterson	Scott	Wright
Pelletier	(Victoria-Haliburton)	Yanakis
		Yurko—193.

NAYS

Messrs.

Benjamin	Lewycky	Riis
Blaikie	Miller	Robinson
Broadbent	Mitchell	(Burnaby)
Deans	(Mrs.)	Sargeant
Fulton	Murphy	Skelly
Heap	Nystrom	Waddell
Jewett (Miss)	Orlikow	Young—21.
Keeper	Parker	

● (1830)

Madam Speaker: I declare the motion carried.

Motion agreed to, and bill read the third time and passed.

[Translation]

It being 6.30 p.m., I do now leave the chair until 8 p.m. when the business before the House will be a ways and means motion in the name of the hon. Minister of Finance (Mr. MacEachen).

At 6.32 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[English]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance) moved:

That this House approves in general the budgetary policy of the government.

INTRODUCTION

He said: Canadians want to know how we can get our economy growing again, how we can get industry to invest, expand and provide the jobs our people need. A million two hundred thousand among us are unemployed. Still more are struggling to make ends meet in the face of high inflation and

high interest rates. We are all suffering, one way or another, from the recession that is battering our economy. We are all searching for a way out of it.

It is no comfort to know that the United States is a victim of the same recession. So are all the industrial countries of Europe and, even more cruelly, the developing world. The recession is international. Some of our problems are of our own making, but a large part comes from abroad. That is why the speed of our move towards recovery cannot be determined by Canada alone.

My purpose tonight is to offer Canadians a way to end the recession, and to speed our progress towards recovery through immediate action.

First, I will ask Canadians to participate in a strategy to make Canada a tougher, more resilient society. The way out of the recession is to bring down inflation and increase productivity. We must all share the burden and responsibility.

The government will take a leading role in this strategy. It will limit pay increases in the federal public sector. It will act to lower inflation-related increases in other spheres of government responsibility.

If all of us—governments, business, labour and individual Canadians—rally to greater discipline in our income demands and other inflationary behaviour, prices will at long last go down, and so will interest rates. The economy will start growing again. Industry will be able to make a decent profit and to increase production. Laid-off workers will be recalled. New jobs will become available.

Second, a dynamic, confident business sector is essential to our economic recovery. Confidence depends on real economic opportunity. It also depends on effective interaction between governments and the private sector.

I will table tax proposals that would reduce significantly interest rates for home buyers and small business, and create new incentives for investment in Canadian corporations. I will propose the resolution of outstanding taxation issues from the November 1981 budget. I will address issues of concern to international investors.

Third, many Canadians and specific sectors of the economy need additional support and assistance in this time of recession. I will announce this evening initiatives totalling \$2.3 billion for that purpose. Major actions will be targetted to employment creation, housing, small business, farming and fishing.

● (2010)

Fourth, these actions will be taken within the very limited room for manoeuvre imposed by the deficit. Recession has resulted in a serious worsening of the government's financial position. Tax revenues have fallen, while expenditures have risen. This has imposed severe limits on new spending. The government cannot responsibly add to the deficit. It has to reallocate resources. The action plan will therefore be carried out within the framework of current monetary and fiscal policy.