

*The Budget—Mr. Lalonde*

[English]

The budget also reflects extensive consultations with the private sector as well as provincial governments. I thank the many groups and the thousands of individual Canadians, including the Members of this House, who have advised me over the past five months, at the many meetings I have held in all parts of the country or through written submissions. Their suggestions and recommendations have been considered seriously and many are being implemented. I likewise express my appreciation to provincial ministers of finance and treasurers, with whom I met in December and March to review our respective economic and fiscal policies and consider how best we could cooperate to bring about recovery.

## SPECIAL RECOVERY PROGRAM

The Government is introducing tonight a \$4.8 billion Special Recovery Program to spur recovery and restore as quickly as possible the economy's capacity to generate the new jobs Canadians need.

**Some Hon. Members:** Hear, hear!

**Mr. Lalonde:** As most Canadians are now aware, I received a group of photographers in my office yesterday as part of a pre-budget "photo opportunity" session. A copy of the proposed budget speech was on my desk. I held it up and rapidly turned the pages. A cameraman was standing behind me and, unknown to me, photographed several pages of the proposed speech. The cameraman was thereby able to obtain some information about the contents of the proposed budget. This was clearly contrary to the spirit of this "photo opportunity" session, but the fact remains that the event occurred.

Traditionally, a budget leak involves premature disclosure of a tax matter. Fortunately this is not the case. However, in some quarters any matter or fact connected with the budget might be considered to be of this character. To remove any doubt, I have decided to change the portion of the budget which would otherwise have been prematurely in the public domain.

I have decided to increase the Special Recovery Program to \$4.8 billion. This additional \$200 million will be added to the Special Recovery Capital Projects, details of which I will give in a moment. The monies will be set aside as a special fund to be spent on projects akin to those already contemplated in the Special Recovery Capital Projects.

As a result of this action, the deficit and financial requirements of the Government for 1983-84, 1984-85 and 1985-86 will be increased \$100 million, \$50 million and \$50 million, respectively. Other appropriate adjustments should be made in reading the printed material distributed tonight. This will no doubt cause some confusion, since the printed material distributed across the country and in the House is no longer accurate. For this, I apologize.

There is some irony in all of this. During the past week, I have debated with myself and with my advisors about the precise nature the budget measures should take. My concern

has been that in my desire to be fiscally responsible, I would not provide enough stimulus for the economy to secure the recovery and generate employment. Obviously, this is a matter of delicate judgement and there is no absolutely correct answer. Be that as it may, the events of the past 24 hours have led me to follow what my instincts have been urging me to do all along. If I err in this budget, I want to do it on the side of more jobs.

**Some Hon. Members:** Hear, hear!

**Mr. Lalonde:** This national investment program will strengthen the structure of the Canadian economy and raise its growth potential. Its operating principle is to undertake now, in the early stages of recovery, investment that would have been required in any event during the eighties. The program will provide equal support for private and public investment, but all initiatives are designed ultimately to improve the financial position, growth prospects and job creation capacity of the private sector. Over half of planned expenditures and tax incentives will be incurred this year and next, to give the economy the early boost it needs.

The Government's overriding priority is to ensure that Canada has the capital equipment, productive facilities, skills and knowledge we need to meet the competitive challenges that will arise from world-wide recovery. The Special Recovery Program will also provide new and immediate job and business opportunities for Canadians throughout the country—not only those living in the communities where new facilities will be built, but workers and suppliers in all sectors and all regions.

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My Cabinet colleagues will provide further information in the days ahead on the projects to be launched immediately in areas under their responsibility. But I want to outline briefly tonight the key features of the program's two main components, Special Recovery Capital Projects and Special Recovery Incentives for Private Investment.

## SPECIAL RECOVERY CAPITAL PROJECTS

The Government of Canada is committing \$2.4 billion for Special Recovery Capital Projects selected and designed to build, expand or improve public facilities that directly support private sector expansion and the steady improvement of our economic performance essential for recovery.

More than a hundred projects have been selected. They are in the advanced planning stage. All have a lead time to start-up of less than six months. Work on most of them will start this spring or early summer. Canadians will be working on Special Recovery Capital Projects sites in all parts of the country. Earth will be moved, steel will be rigged and concrete will be poured in the coming months to implement those projects. Canadian firms will start getting orders for the wide range of goods and services required to complete them—construction materials and engineering services, planes and