

*The Budget—Mr. Blenkarn*

time we sat down together and said that if we can make it better for industry, it is going to be better for workers. That is how jobs are created. That is how wages go up.

**Mr. Riis:** In other words, there is no hope for this man.

**Mr. Evans:** When businesses are in place which are competitive throughout the world, they can sell their product and generate profits—which is not a dirty word, by the way—which leads to new investment and new jobs. That is how we respond and that is how I would respond to that individual.

**Mr. Riis:** He will be happy with that response. He will lose his house as a result of that response.

**Mr. Evans:** I will guarantee that the specific measures in this budget are going to put that man back to work in a stable, long-term, and productive job which will allow him not only to keep his house but obtain the things he wants for himself and his family.

**Mr. Domm:** Mr. Speaker, I was somewhat alarmed at the statement by the Hon. Member for Ottawa Centre (Mr. Evans) that people in Canada have a different view about the budget than Members of the Opposition. In other words, we are diametrically opposed, to use his exact words, to people across Canada. I would suggest the Hon. Member read some of today's papers and what some leading economists have to say about our short-term pain for perhaps long-term pain. Not gain, but pain.

How does the Hon. Member explain the fact that the consumer will receive tax benefits this year of \$75 million but over the next four years there will be annual increases in consumer tax payments; that in one year alone there will be an increase in income tax payments of \$1.91 billion?

● (1140)

The same thing applies to the corporate sector, where both consumers and business will be paying over \$5.7 billion for this \$4.8 billion which the Government is handing out in year one. How does the Hon. Member explain the parallel that he drew in his speech concerning Japan, which gives incentives to consumers to buy and more purchasing power and gives businesses more tax advantage over a long period of time?

This Government, with all due respect, has given consumers a bouquet in year one of \$75 million in income tax savings, but is adding in up to just short of \$2 billion in income tax taken from the backs of consumers. In other words, the cost of the programs is being paid by less disposable income on the part of the consumers.

Concerning the fiscal report presented in the House, I refer the Hon. Member for Ottawa Centre to page 27, personal income tax taken by Government at source from the consumers.

**Mr. Evans:** Mr. Speaker, I really have a difficult time seeing where the Hon. Member is going with his questions and what his problem is. Does he really believe that if the Government is to put into place those kinds of incentives for people to save, to

put their money productively into industry, to make the country more competitive, to create those jobs, that the Government will be able to do that out of thin air? That money must come from somewhere. Would the Hon. Member like us to increase the deficit? If there are to be additional taxes, where would they be placed? Would the Hon. Member place them on tax investment? When the Government is trying to put incentives into place to encourage investment, it does not tax it at the same time.

Hon. Members opposite and on this side have been saying that we must have more equity investment. We must have more incentives for that kind of thing. If the Government is to give incentives—in other words, reduce taxation on investment—then there is only one place it can increase the taxation, and that is on consumption.

A great many Hon. Members have been saying that we should be taxing consumption more heavily and investment less heavily. Perhaps that was one of the problems we ran into during the 1970s, that by taxing investment more and more heavily we had progressively less job creation during the latter part of the 1970s and a progressively increasing unemployment rate.

I am suggesting to the Hon. Member that the Minister has taken the right tack. He said that we will take some of that burden off the investment side. We will encourage Canadians to save and invest and we will pay for it by placing slightly higher taxation on consumption, for instance, of cigarettes and alcohol, the 1 per cent; but that does not come into effect until next year. However, there are also other measures, such as freezing indexation of certain kinds of measures within the Income Tax Act. Certainly I agree with every one of those and I will stand up and defend them on any forum with the Hon. Member, any day of the week.

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

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, in the speech of the Hon. Member for Ottawa Centre (Mr. Evans) we heard evidence of the great shell game concerning the budget. The Hon. Member knows perfectly well that the budget, which originally claimed to direct \$4.6 billion into "job creation", which we then found out became \$4.8 billion in job creation—\$200 million for the job of the Minister of Finance (Mr. Lalonde)—is a great shell game. The fact is that the budget takes \$5.72 billion out of the economy and puts \$4.8 billion back into the economy, and the difference is the cost of administration by the Government of Canada.

The philosophy of Government Members is that they really know better than the ordinary consumer, the ordinary Canadian, how to spend his money, how to create employment and the rest. What they believe is that money should be taken from the country and come into this great bowl of Ottawa, that it should be spent by Ottawa, and that they should somehow direct where employment is to go, and how the money is spent.

**Mr. Evans:** That's not true.