

*The Budget—Mr. Schumacher*

**Mr. Speaker:** Order. I regret having to interrupt the hon. member, but his time has expired.

[*English*]

**Mr. Stan Schumacher (Palliser):** Mr. Speaker, when the Minister of Finance (Mr. Benson) delivered his second budget last Tuesday evening he said it was not calculated to increase his popularity. This may be true, but what I, and I believe a good many other Canadians, would like to ask is why it had to be calculated to increase his unpopularity.

At the outset of my remarks and before going into the many shortcomings of this budget, I should like to say that the minister should be congratulated for introducing the concept of selectivity in the taxation policies of this government. I only hope that this important principle can survive its clumsy and perverse application by the minister to the successful and productive regions of our economy, in a way that has little hope of assisting poorer regions and with no possibility of significantly increasing our national productivity, which surely must be the key to solving the problem of inflation in this country. Let us hope that this policy called selectivity is not discarded through dislike or the failure that will surely result from the application of discrimination, which is the real villain of the piece. Because let us face it, Mr. Speaker: this budget is in fact a very discriminatory one. What the minister should have done—and one does wonder just what the great thinkers in the minister's department were really up to when they produced such a budget as this—was seriously to consider which type of construction is desirable and which type is not; in other words, which type of construction will be productive in real terms and which type will not.

I think one can say, because it is pretty well agreed, that the service station type of construction is not really essential in increasing productivity in this country. This being the case, what great good is going to come to our economy by discouraging such construction in Toronto, or Calgary, or Edmonton, or Vancouver in the expectation of its being shifted to Montreal or Halifax? About the only good that can come from this type of discrimination is some sympathy from the so-called wealthy urban centres for the position of the western dairy producer, who has been discriminated against by the transfer of some eight million pounds of cream quota to Quebec at a time when the area is a net importer of butter.

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In summary of this aspect of my remarks, I would say that the reward-punishment approach to the location of industry has proved to be a failure. I would cite the example of the move made by Clairtone to the province of Nova Scotia, which has not worked out as well as was hoped. The important thing is to decide which industries are to be assisted and get production flowing. It does not really matter where they are located if they are in fact producing goods. We do not want to cut down in one area merely to add to another. That is no way to increase productivity in the country. It would be more logical to limit the types of buildings authorized on a selective basis. Thus, the builders of gasoline stations, shopping centres and movie theatres could be penalized on a national scale, with far more productive results.

● (9:30 p.m.)

If I may, Mr. Speaker, I should like to turn to a glaring omission in this budget. It concerns the area of consumer credit. Nothing has been done to limit instalment purchases. Surely, the minister must realize that those buying on time are not using the most appropriate weapon to fight inflation. That method of buying is utilized by hundreds of thousands of persons who, frankly, do not believe that this government is determined to lick inflation. They use time purchases as a hedge against the results of this government's spending policies. The high interest rate solution to this problem proposed by the minister might work if we could see one scintilla of evidence that the government is really serious about solving the problem of inflation.

How can anyone take this government seriously in this regard, especially when it steadfastly refuses to cut back its own outrageous spending habits. The minister boasts he will balance this budget. I hope he will forgive my saying so, but I will believe that when I see it. Even if he were to balance the budget, Mr. Speaker, what comfort could our taxpayers take from a balanced budget of \$11,775 million. That is \$1 billion greater than the previous budget. I simply ask, Mr. Speaker, why should you or I, provinces, municipalities and corporate and private citizens in this country, hold the line in expenditures when the federal government makes evident by its actions if not by its words what it really thinks about the problem of inflation. I ask, where are those glaring examples of government restraint? There is to be an increase of over \$3 million to the Canada Council, which now milks the Canadian taxpayer for almost \$24 million annually and does not live on the \$50