

*The Budget—Mr. Saltzman*

states that the Canadian government has restricted its entry into the money market and that Canadian businesses have done the opposite, borrowing more than the three government levels combined and almost doubling their amount of financing from the similar period a year ago.

I submit, Mr. Speaker, that at a time when there is pressure on us and a need for belt tightening, if we accept the concept that everyone must do his part in exercising restraint, why must it always be the public sector that is called upon to do this? Why is the private sector encouraged to do virtually as it pleases? This is not an act of responsible government. It is an abdication of the government's responsibilities. It is an abdication of its responsibility to ensure that the needs of the people are satisfied through public expenditures. While the minister gets out of borrowing, others rush in to take up the slack with the result that nothing really has changed. The same pressures exist and the same problems perpetuate themselves.

There has been a slight indication that the minister is aware of this problem. For the first time he has brought in a measure of selective depreciation whereby for the first two years on certain kinds of construction depreciation will not be allowed. While the principle is good and one which for a long time we have advocated the government should introduce, we have pointed out that the general levers of economic direction are no longer adequate for the times in which we live and that you cannot really control or manage the economy with fiscal and monetary policy alone. Selective measures are required.

In speech after speech in this house we have pointed out that while we are not able to meet our needs for hospitals, roads, schools and so on, office buildings are erected across the country, and we have called upon the minister to take some action. I must say the kind of thing he has decided to do is disappointing because it will not work. It is unrealistic. Even the minister admitted that it would be of marginal benefit when he was asked this question on television the other day. I hope I am summing it up fairly accurately. He said there are occasions when it might influence some people. I have had an opportunity to discuss the question of selective depreciation with various groups of people who have building plans. None of them indicated that they intend to defer any of their plans. If the minister had been serious

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about this there were ways in which he could have brought in a selective investment policy. But he was not really serious. He just wanted to point out that he understood the problem or knew something about it and was going to make a gesture in the direction of the problem. Certainly nothing of any significance can come from the selective depreciation that has been introduced.

We have been critical of this budget for many reasons. We think the minister has misunderstood the state of the economy and has placed excessive emphasis on the question of inflation to the detriment of other requirements of the country. He seems to show very little concern for the problems of employment growth or for the problems facing agriculture. We would like to say, we hope in a constructive way, something about the things this budget should have contained and some of the things about which the budget should have been concerned.

One of the major items is the question of agriculture because agriculture today is in a crisis condition. I come from one of the most highly industrialized areas of Canada, the area of Waterloo. I want to say something about how important agriculture is to our country. When the people who come from the farm areas outline the problems in respect of agriculture it is more or less taken for granted that as the spokesmen for these areas they must do this. I think it is important, however, for us from the industrialized areas to be concerned about the difficulties which face the farmers in this country. Industry, and the people who live with industry, owe a debt of gratitude to agriculture, one that should not be forgotten.

At this time agriculture is at a turning point. Unprecedented dangers face the industry. This is not something that will go away next year or the year after. Agriculture has always had its problems but this is worse than hail, drought, the box car shortages we hear so much about, or the dampness or price of wheat. The farmer today confronts the greatest crisis of his life. All that he has worked for may turn to nought. His years of toil and continued reinvestment may be lost. Nor will it be the western farmer alone who will be hurt. The desperate search for alternatives to grain will challenge the farmers of eastern Ontario within a short time, adding new difficulties to the many already existing farm problems of eastern agriculture.

What has the budget to say about this? Absolutely nothing. We ask how is it possible