

The Budget—Mr. Crosby

and limited revenues leading to an immense budgetary deficit that is increasing the accumulated national debt to gigantic proportions. The only other alternative, if one is to attempt to establish the principle of a balanced budget in our economy, would be to raise taxes. The Government has raised taxes in this new budget, and I will talk about that in my subsequent remarks.

I want to remind Members of Parliament and all Canadians that the ability of Canadians to pay taxes has reached the limit. The tables that I have before me, which relate to past years but I think are valid, indicate that Canadians pay an average of 43 per cent of their income in taxes, that is, taxes of all kinds. An average Canadian family with an income of \$24,000 would pay approximately \$10,000 in taxes. The exact percentage would be 45.8 per cent. So the Canadian family is paying almost 50 per cent of its cash income in taxes. I recognize that this is taxes of all kinds, including provincial and municipal taxes. We realize that taxation has reached the limit, yet taxes go up and up. The unfortunate result is that we have to live with this concept of a budget deficit whether it is manageable or not.

There is not much that the Government can or is able to do about that fact. Unfortunately, it must bear the responsibility for the existing situation because it is the fiscal policies of the Government over the past decade or more that have led to this situation. It is in the context of this horrendous financial burden on the Government and taxpayers of Canada, and indeed all Canadians, that we have to review the budget.

Let me say immediately that if, as some Members have suggested, there is a broad feeling of optimism among Canadians that the budget in itself contributes to the economy in a real way, to the extent there are provisions in it that encourage the private sector and would prompt business persons and those in industry to invest and increase activity that would create jobs in business and stimulate industrial activity, I would applaud such a measure in the budget. I want to add very quickly that those measures which would lead to increased confidence in the business and industrial community, and indeed across the private sector in Canada, are of a very sophisticated nature. They are complicated and technical. Only time will tell if they will have the effect that the Minister of Finance has claimed in the course of his budget speech. Only time will tell whether business and industrial activity will increase across the country and produce the jobs that everyone recognizes are required in every Province and territory of Canada.

The Minister of Finance indicated that that was his priority in his budget—to deal with the massive unemployment problem in Canada and take cognizance of the fact that 1.5 million people are out on the streets looking for work. He did not mention the million who have given up looking for work or the million Canadians who are working at jobs which are below their qualifications or working part time. However, he does finally admit that that is the major problem in Canada, and he says that job creation was a major concern in the formulation of his budget.

I want to examine some of the measures that the Minister claims will increase jobs in Canada and some of the programs for which provisions were allegedly made in the budget. First, I want to recognize the contribution made by the Canadian Federation of Independent Business and other representatives of small and medium businesses across Canada. The Canadian Federation of Independent Business has recognized the role played by small and medium businesses in job creation in Canada. In fact, they point to the loss of 700,000 jobs in Canada between January of 1982 and January of 1983 in that sector of the economy. We can only have real job creation if we restore those 700,000 jobs that are lost.

On a positive note, the Minister of Finance mentioned the creation of 600,000 jobs through the measures that are included in the budget. But I can give the Minister a simple way to create that number of jobs in Canada. The Canadian Federation of Independent Business pointed out that in 1982, a bad economic year, there were 150,000 start-ups of small business enterprises across Canada. These are known as formulations. There were 150,000 people in Canada who started some form of business enterprise in 1982. The Canadian Federation of Independent Business says that with a little encouragement those formulations might increase to 200,000 in 1983, that is to say, entrepreneurs who are willing to start some sort of business on their own, possibly with some financial assistance or encouragement. If each one of those small business formulations which the Canadian Federation of Independent Business indicates could be started were, in fact, started with the encouragement of the Government and each one of those enterprises created just three jobs, which they could easily do with financial assistance from the Government, you would have right there in that one concept 600,000 jobs.

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That is not an impossible goal. But what does the Government do? It spreads its job creation through a very complex and complicated mechanism which I can guarantee you, Mr. Speaker, will have every bit of red tape we have seen in every program introduced by the Government of Canada over the last ten years. I will give you one example, Mr. Speaker.

In March, 1983, the Minister of Employment and Immigration (Mr. Axworthy) announced an allocation through the New Employment Expansion and Development Program, the so-called NEED Program, of some \$25 million through the Department of National Defence through the creation of jobs. He said that this allocation of funds would create 3,000 jobs. But what he did not say was that the Department of National Defence would immediately embark upon the process of terminating the employment of 1,027 workers, some of whom had been employed by the Department for three years or more. This was in order to provide spaces for the new employees. That is the kind of hokum which the Government serves up in terms of job creation programs. That is fact. I can take you to the Canadian Forces Base in Halifax, Mr. Speaker, and show you exactly where the Department of National Defence has terminated the employment of one person who was a term employee and hired others in place of that person. That is the