

The Budget—Mr. Wilson

An improved competitive position is the best, surest, most permanent way of creating jobs in this country, far more permanent, far more successful than all the alphabet-soup job-creation programs which the previous speaker talked about. That is the way that we improve our economy.

Let us look at some other means of improving the competitive position. These represent the four pillars we established in the Conservative Party industrial policy as being the key objectives, the objectives against which all our specific policies would be measured. The first is improving research and development. The second is a greater degree of expenditure and emphasis on improving our human resources through training, retraining and other means by which individuals can become more productive. The third is improving the entrepreneurial investment climate in Canada so that we have more money invested in startups of new businesses and new types of equipment and technology. Fourth, if we are going to have a healthy economy, we must have the outlet to the international community. We need to have solid international trade promotional activities. The key that I want to stress here is that we recognize the seriousness of the problems. We understand that they have to be addressed with clear sets of policies and clear objectives that demonstrate very much that identify the problems that we are facing here and lead clearly to the solutions.

I want to put some numbers on the record that relate to comments I made earlier. The Government, this Minister and the previous Minister have always talked about this being a Budget of restraint, something that would lead to a reduction in the deficit, a lesser degree of Government involvement. If we make some assumptions here, that Government expenditures would increase annually at the rate of growth of the national income, and we have heard many Ministers of Finance say that that was what they were going to do, if that had happened for the period of time of the current Government, dating back to 1968, the cumulative savings would be \$131.1 billion. That is equivalent, almost, to the net debt of this country. Let us look at a more recent period. If we did that since 1979, the savings would be \$36.4 billion. That demonstrates the order of magnitude that we are talking about here.

In closing I want to emphasize that we have picked these areas of deficit reduction, inflation control and building international productivity for one key reason, that is, to improve the economic independence of Canada by giving us a better performance relative to the United States. When the United States makes some policy mistakes, as it will from time to time, or if it acts in ways that are quite appropriate for the United States economy but not for our economy, then we have that flexibility to move away from the direction taken by the United States for whatever period of time necessary.

● (1600)

I just came back from spending last week in Europe and I talked to a number of international economists, investors and bankers. The one thing that struck me very clearly in Great Britain was that it has, as the people there call it, unhooked

itself from the U.S. economy. Interest rates in the U.K. are now lower than they are in the United States, and the underlying reason for this is that in 1981 the U.K. made the decision to get its deficit down to a reasonable level. That deficit is now at about 6 per cent of overall spending. In Canada we are at 30 per cent.

There is a clear lesson to be learned there, Mr. Speaker. If we were to follow the policies that a Conservative Government would follow, we would have a healthier environment, better job performance and a degree of independence from United States policy and from the performance of the United States economy when it is appropriate for Canada to have that independence.

Mr. Fisher: Mr. Speaker, I always enjoy listening to a speech made by my neighbour from Etobicoke Centre (Mr. Wilson), partly because he offers some interesting ideas and partly because it is stimulating to me. I disagree with much of what he says, but he forces me to think about it.

I would like to ask the Hon. Member directly what he thinks he would cut in a federal budget. He says that this question is irrelevant, but then he goes on to say that government spending cuts are the key to a reduction in the deficit. First of all I would like to ask him what he would cut, and second, whether he agrees with his colleague, the Hon. Member for St. John's West (Mr. Crosbie), who has said that we should introduce means tests for our social service programs as one way of controlling expenditures.

Mr. Wilson: Mr. Speaker, the fact that my hon. neighbour from Mississauga North asked that question in the way he did tells me that while he may think my speech stimulating, it did not stimulate whatever brains he has in his head. The key question that the House has to address is whether the problem of high deficits is the overwhelming problem in Canada today. I take it from his question that he does not yet understand that. Until he gets that through his head, the question that he has asked is irrelevant.

I responded to that question in my remarks by saying that there must be broad spending cuts, and whether it is in this Department or that Department is irrelevant. It must be across the board. Yes, there will be some differences in application depending upon where a government will apply its priorities, but the overall result is that spending must be reduced in the broadest possible way.

The Hon. Member was in business as I was in business. When he found that he was spending more than he could afford, I am sure that he addressed the problem the same way I did, which was by cutting right across the board so that everybody would feel they had some involvement in the reductions that were being applied through an overall discipline. That is the key answer to that question. If we in the House do not accept that that is the number one problem, then we are not going to achieve the performance that the country deserves and is certainly capable of achieving yet has certainly fallen far short of achieving at this point.