

The Budget—Mr. Stevens

Mr. Stevens: Mr. Speaker, how quickly the House leader of the socialists forgets that when we had the last vote of confidence in this House every member of my party turned out to vote this government out of office, but only 80 per cent of his party turned up.

An hon. Member: Save the Liberals.

Mr. Deans: No respect for the democratic process.

Mr. Stevens: Mr. Speaker, we can see who really believes in democracy in this country. On the vote tomorrow those who believe in democracy and want to let the Canadian public speak on this budget will have an opportunity to stand up in the House and support our amendment which will result in the defeat of this government. For once they can let the Canadian public decide who should bring in the next budget and govern in Canada.

Some hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, the NDP is saying that it is their amendment on which the vote will be taken tomorrow. Well, I hope they vote for their own amendment because sometimes they do get things a little mixed up.

• (2040)

Let me touch on another point in the budget which was rather disturbing. It concerns the minister's proposal to reduce taxation on investment income and interest rates to borrowers. I think it is generally agreed that in the lack of confidence climate in our country some type of stimulus is needed to get the investing public eager to build plants and facilities that we need to give more employment to Canadians. It is unfortunate that what the minister has really done is to introduce into an already confused picture still more confusion. Instead of giving certainty he has in effect said that this is the game plan we feel should win over the next two, three or four years. We have come up with a bright idea to have some type of inflation-indexed term deposit instrument. We are not too sure what form it should take, but we think it would be a good idea to have a so-called blue ribbon committee look over the idea in the next few months and come back to report to us. Having said that, I think the government underestimates the consternation developing in the investment community. As investors are trying to make up their minds whether or not to invest any money in Canada, a new idea is introduced. Investors are asked how they would like some type of indexed-for-inflation instrument of which they have never heard before.

Those who know how businessmen react will tell you that a feeling of dismay abounds. Why do they need to be treated to more guinea pig approaches or more test tube experiments at a time when a more fundamental return to the basics is needed? In short, there will be an attitude on the part of businessmen addressed to the government that had the government come up with a policy to show a smaller, not a bigger deficit, to show less spending than anticipated, and that along with less regulation, less intervention in the energy, mining and manufacturing fields, that would have given Canadians the confidence to get

on with the job of creating more employment. People do not want the government to start playing games using Canada as some type of a test tube or an experimental area for a program that apparently has never been put in place before in any country in the world.

When I asked where this kind of indexed-for-inflation instrument had been tried, Denmark was the only country mentioned. Today I checked this out, but no one knew anything about this type of thing being in place in Denmark, and we have to continue checking. However, a departmental official suggested to me today that the only place he knew where this type of thing had been tried was in one or more of the Latin American countries in South America. We are now taking our guidance, if you like, from countries that have had inflation levels as high as 5 per cent or 10 per cent per month. This shows to me the very sad, almost bankrupt, position which the government is in regarding new ideas to solve our problems.

A constituent suggested to me that the only reason Canada can still say it is not a banana republic is the fact that we do not happen to grow bananas in Canada. However, we meet all other tests.

Some hon. Members: Oh, oh!

Mr. Stevens: Mr. Speaker, I would suggest it is time for Canadians to become more concerned about what we are discussing tonight. Forty cents of every dollar earned by Canadians is taken by some government to be respent on his or her behalf. It has often been said that a slave is a person who is taxed 100 per cent. In Canada, we are 40 per cent on the way there. It is time we told our socialist friends to the left and our near socialists opposite that Canadians have had enough of this big spending deficit approach and we should stop doing this. If the Liberals are not willing to stop, let us go back to the Canadian public as soon as possible and find out who they want to govern this country in the future.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am very happy to have the opportunity to speak in this debate. This debate is very important. We are in a crucial period in Canada's history and it is not an easy time to be in government. It is, however, a challenging time. What we must do is try to discuss what it is necessary to do in this budget. We have to do it in an honest, fair and responsible way.

It was necessary for this budget to spell out Canada's economic problems responsibly, honestly and candidly. It was necessary to spell out the economic problems and not gild the lily. We have to face up to the fact that Canada at the moment is in a recession. There is no getting around that. It is also fair to say that western industrial countries are also in a recession. Canada is a major trading country. We would like to expand our trade with other countries. Canada's economy is intrinsically linked with the economy of other countries, particularly that of the United States. I think it is fair to say also that the tail does not wag the dog.