

The Budget—Mr. J. N. Turner

The article indicates that he went on to say:

"If they don't perform, then big brother will have to be given the job back again," he warned.

I wonder if the business communities of Toronto, Montreal and Vancouver have read about that particular remark.

These boys will change their minds pretty quickly. They do not really believe in what they are doing. I ask them to show us the calculations. I would ask the Minister to show us how he came up with such optimistic projections. I would like to remind the Minister of Finance of what his leader, the Prime Minister, told us during the election campaign about public finances. He said that they were going to tell the people the facts, that they were going to share them with Canadians and that they were going to set out a true and honest accounting. Well, give us that accounting.

We know that over one-half of the deficit reductions, \$2 billion this year and \$1 billion next year, are put down to what the Minister calls better program management. When we were in the lockup, my colleagues from Saint-Henri-Westmount (Mr. Johnston), Winnipeg-Fort Garry (Mr. Axworthy) and Laval-des-Rapides asked the officials who wrote the Budget what that meant. We asked them from where that money would come. They did not know. They had no answers. Neither does the Minister of Finance. As Jeff Rose, the President of CUPE, has said about this Budget, this Budget is about leaps of faith and starry-eyed assumptions that the private sector will provide jobs while consumers spend less.

I say that it is lousy economics to take \$4 billion out of the economy next year and to take \$4 billion away from consumers. My colleague, the Hon. Member for Laval-des-Rapides, made this argument earlier this afternoon. The Budget takes \$4 billion out of demands. From where does the cash come to buy the goods being produced by the private sector? How does taking away spending power from the Canadian consumer create jobs? How does it help small business?

The Government is relying on the United States market to keep our exports going. It is relying on the United States market to keep our big business going. However, when small business is the core around which this Budget is being directed, it takes \$4 billion out of the demand of this country, money which can only be directed to small business and the products of small business. The answer is that this will not help small business. It will hurt the average businessman and woman in this country. We predict that on the basis of that withdrawal of \$4 billion worth of demand in the Budget, 125,000 to 150,000 jobs will be lost.

Data Resources, a well-known forecasting firm, has just come up with its calculations. Its report indicates:

The Government's bitter medicine will reduce growth of real output by 0.3 per cent this year and by 0.2 per cent in 1986.

It goes on to indicate:

The restraints may raise the unemployment rate in the next year by as much as 0.3 per cent.

That is not a job-creating Budget. That is not an agenda for growth. That is not an agenda for jobs.

The Minister is relying on opening up the rules for the application of funds from RSPs and pension plans in order to invest in small business. I do not know how realistic that is. I have been a trustee for pension funds for a large number of workers. I know that I and the other trustees of such funds have a fiduciary duty to protect and increase the capital of those funds. I want to know how many pension funds or RSPs will really invest in high-risk ventures when the duty of the trustees who manage those funds is to protect and enhance their capital. I think there is a lot of smoke and mirrors and a lot of wishful thinking here.

We suggested that the best way to help small business in this country and to persuade Canadians to invest in small business would be to allow a complete deduction of a capital loss against income for investment in small business. I believe that that would have done far more for small business than any measure that is in this particular Budget. What about our young entrepreneurs program for which we suggested \$100,000 worth of start up moneys? What about one-stop shopping for all government services at the Small Business Development Bank?

Where are the promises the Government made to reduce the tax burden on small business, to simplify the tax system, to review government purchasing policies so small business can get their fair share and to create more accessible methods of financing? The Minister claims that the half million dollar exemption for capital gains will go to small business, but again that exemption is not targeted. There is no assurance whatsoever that any of that money invested and claimed by way of exemptions by wealthier citizens will go to small business.

By the way, only 4 per cent of Canadians make capital gains. There are only 150,000 Canadians who invest in ways that will allow them to get capital gains exemptions, and there are no strings attached to those exemptions.

As you know, Mr. Speaker, we in this Party are committed to the private sector. The Budgets I brought down were committed to the private sector. We believe that the small business sector is the engine of growth in this country. We believe that the small business community can and will give us job creation. That is why during the election campaign we presented the programs I have just described. We believe in rewarding success. We believe in rewarding risk. Those are basic principles of our Party.

As reported in *Hansard* of May 24, the Minister has said:

One of the things that has characterized the response of a broad range of people to this Budget is that it has been fair.

However, \$350 to \$500 will be taken from the average family and there will be a \$125,000 cash bonanza for the wealthy who can afford to invest and be eligible for capital gains. However, there is no relation between that exemption and small business. There is no guarantee that that money will be invested in a business in Montreal, Saint-Maurice, Vancouver Quadra or Ottawa-Vanier. That money could go to a condominium in Florida, a hotel in California or Palm Springs, European art or a number of objects that have nothing to do with jobs in this country.