

In this country we have a 20-year low in consumer confidence. We are in the midst of a recession, if not a depression. There are approximately one million unemployed; we have crippling interest rates; an inflation rate of 12.7 per cent that will probably rise to 13 per cent within a month or sixty days; staggering gasoline prices that have risen by 75 cents a gallon since the Liberal government assumed office; record heating oil prices, an increase of some 50 cents a gallon since the government assumed office. Federal taxes now imposed by this government exceed two times the 18-cent excise tax that was imposed by the Crosbie budget, and at the same time there is no relief for the home owner, for the low-income earner, for the senior citizen, for the farmer or the small-business man. As far as I am concerned, Mr. Speaker, as one who has been associated with the small business and small manufacturing sector in this country, I can tell you that there is no mood of optimism in this country today, no optimism for the productive core of this nation and there is no hope for the unemployed.

The productive capacity of our economy has never been in such peril. Never has the government done so little to stimulate growth in the productive sector. It could be said that this budget constitutes a cynical attack upon the productive core of our economy. Because the government is faced with rampant and largely made-in-Canada inflation, trying desperately to cope with the effects of a largely made-in-Canada high interest rate policy and observing real incomes continue to decline, Canadian workers, farmers and fishermen look to this government for leadership. What do they have? They have a budget that offers no relief but instead will squeeze another 22 per cent increase in direct personal taxes out of their households in the coming year.

What did Canadians expect in regard to the stimulation of growth and development? All we have received in this document entitled "Economic Development for Canada in the 1980s" is a litany of government agencies and an additional squeeze of 30 per cent in direct taxes in the coming year.

What about government leadership in the area of restraint? Did the government hold the line or curtail its own spending? No; it has increased its expenditures for the coming year by over 22 per cent. This offers Canadian families and businessmen an extra dose of inflation for the coming year.

What about indirect taxes? For the average worker, hidden taxes have doubled from the day the Minister of Finance assumed his office. When the minister assumed office there were hidden taxes of roughly \$100 per worker, per month; that has now doubled to \$200 per worker, per month. That is the kind of attack that we have on the workers of this country.

This morning I was advised that in addition to the vicious attack on the employees of VIA Rail, some 1,600 who will lose their jobs, we now find as a result of the budget that the termination benefits cannot be rolled over into RRSPs. Therefore, the retirement benefits will be taxed more heavily than would have been the case. To add insult to injury, these workers who have lost their jobs will now face regressive measures in this budget.

### *The Budget—Mr. Mazankowski*

Farmers and small businessmen also will have their retirement plans disrupted as a result of the discontinuance of the income-averaging annuity.

The heartless and cynical government that has introduced this budget, one that is based on a commitment of restraint and yet only restrains the economic well-being of Canadians, will, in essence, take more revenue and spend at record levels itself. It presents a budget that is supposedly based on equity which, in fact, serves only to redistribute the burden and consequences of government mismanagement among the Canadian public and completely off its own shoulders. It presents a budget with an overriding theme of economic renewal which, in effect, is an attack upon our productive core and will only serve to make our productive sector less productive and more dependent upon government.

When one studies this document, one will find, as I said earlier, that it ignores the fundamental responsibility of encouraging growth and development in this country. In order to have national wealth and prosperity, we must have production and growth both on a national basis and on a per capita basis. What we have here is the fundamental difference between real gross national product and perceived gross national product through the growth of government bureaucracies. That is what we see in this document.

The fact of the matter is that the budget will stymie the productive sector because of the advent of further bureaucratic devices which are enunciated in this particular document. It will stymie and inhibit production rather than encourage it. The gross national product that will occur as a result of the initiatives undertaken in this particular document will largely be an illusion.

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The document entitled "Economic Development for Canada in 1980s" was predicated upon a recently published task force report entitled "A Report by the Major Projects Task Force on Major Capital Projects in Canada to the Year 2000" that identified a number of potential projects which can and should be developed over the next 20 years. But the document did nothing to outline a suitable framework or a positive economic environment for these things to happen. On page 7 the document reads:

We must carefully examine our regulatory systems to ensure that the rules are clear and the procedures efficient, so that they guide business enterprise rather than inhibit it.

I interpret this to mean that the government is proposing a scaling down of regulations and bureaucratic obstacles. It should be facilitating rather than obstructing. That is not the spirit and thrust of the document. Therefore, it rejects the report of the Economic Council of Canada which identified the many billions of dollars it is costing the country because of the excessive amount of regulation.

It is important to have stability and certainty. For example, I am certain the construction industry is not very happy with the sudden changes and shifts in policy enunciated in the budget. Neither is the manufacturing industry, which is