

Oral Questions

My question is directed to the Minister of Industry, Trade and Commerce. Does that statement represent the sum total of the response of the government to these 100,000 Canadians and many other Canadians who are suffering so much from the policies of the government?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the budget statement, and in particular the economic development strategy tabled with it, demonstrate the intention of this government to work to strengthen the economy and to deal with the unemployment problems we have at this time. The basic thrust of the budget is to create a climate of greater stability in prices and interest rates. I think that in itself will have a major positive effect on over-all job creation across the country.

EFFECT OF BUDGET IN PRODUCTIVITY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, with that response the Minister of Industry, Trade and Commerce has told us that he is totally out of touch with reality. The response of Canadians across the country is one of great disappointment and great dissatisfaction with what the budget is doing. The economic development program itself is down \$2 billion compared with the projections of last year, so that is how much this government is doing.

The budget papers further show that Canadian productivity ranked dead last among the industrialized countries of the world in 1980 and in the period 1973 to 1980. The minister knows that this is one of the key factors leading to the higher unemployment rate we will see over the next five years, again according to the budget.

Why did the budget introduce specific actions which will reduce productivity because of the significant deterrent for Canadians to invest in new plant and equipment?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, the hon. member speaks of productivity. I know of measures connected with it in the economic development document which are intended to enhance productivity. I refer to the commitments in it with respect to measures under the responsibility of my colleague, the Minister of Employment and Immigration. I refer also to the announcement in the document that we will be creating a new industrial opportunities program to enhance the capacity of the federal government to aid our industry in being more innovative and to aid it in its over-all development. These are major measures aimed at improving productivity. As usual, my hon. friend is quite wrong when he says that this budget ignores the need for a major thrust to improve Canadian productivity.

EFFECT OF BUDGET ON CANADIAN OWNERSHIP OF INDUSTRY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I think I should ask the minister to reread that document. There is nothing new in it. It is a different packaging of things which had already been introduced by the government but

which were not doing the job. There are no new initiatives—and I think the minister should realize that—which will change this productivity thrust. The budget itself represents a major step backwards in efforts to increase Canadian ownership of our industry because of these new deterrents to investment. If I might refer these to the minister, ours is the only country in the world which proposes to tax life insurance. There is a proposal to change the rules on interest deductibility, which will be very negative for small businessmen and high technology companies.

Will the minister, who is now known as the defrocked minister of Canadian ownership, consider introducing alternative incentives to encourage Canadian ownership to offset these budget changes?

Hon. Herb Gray (Minister of Industry, Trade and Commerce): Madam Speaker, I think it could be argued that the over-all reduction in income tax rates places more money in the hands of Canadians, and they will be able to use it for investment in productive activity in Canada. That is a major initiative in the budget which goes in exactly the opposite direction to what my hon. friend suggests is the approach of the budget. The Minister of Finance has said that he is willing to look at representations about the effect of the budget, and I can only repeat what he has said in that particular regard.

I think there is a number of initiatives connected with the budget which are intended to reinforce a movement not only to lower interest rates but also to over-all growth of the economy, and I think we all have to work to make sure that the budget achieves that.

● (1420)

With respect to Canadian ownership, we have confirmed our basic commitments in that regard. In particular, we are carrying forward the major thrust of Canadianization of the National Energy Program. I am surprised my hon. friend cries out about an alleged setback in Canadian ownership when he and his party have steadfastly opposed that basic idea of the National Energy Program. No wonder my hon. friend was defrocked by the Canadian people in the last election. They will do it again the next time they have a chance.

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TRADE

RESULT OF DISCUSSIONS WITH JAPANESE GOVERNMENT

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is not to the hon. Barbie doll but to the Secretary of State for External Affairs, from whom we might get some kind of an answer. The minister recently visited Japan. Apparently his main purpose was to ask the Japanese government to urge the United States government to permit Canada to participate in the trade consultations proposed by the United States, between them, the European Community, and Japan.