

The Budget—Mr. Penner

outlined in my speech, another avenue which occurs to me and which might be beneficial is the development of something similar to the DISC program which has operated very effectively in the U.S. That is the concept of the duty-free port in which we import, generally from emerging nations of the world, products which, with their lower cost labour force, they make relatively inexpensively. By trading with them we create a potential customer. My point is that we would import these products to Newcastle, Chatham, St. John, Belldune or some of our other ports which are excellent all-weather ports in New Brunswick. We would assemble them using Canadian employers, technique, engineering, technology and workers. We would assemble them, making the total product, and then export this product to world markets. Because we can import it less expensively, our product would then be less expensive. Because of our higher technology capabilities, particularly in communications, electronics and electronic assembly, our product would be competitive world-wide. Like the Americans, who increased their trade 16 per cent in the first year of operation, I feel that we could reach world markets and create good jobs in New Brunswick. This is one of the techniques I would like us to consider. I thank the Hon. Member for his question.

● (1530)

Mr. Deputy Speaker: The House will now proceed with debate. The Hon. Member for Cochrane-Superior (Mr. Penner).

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I listened to the concluding remarks of the Hon. Member for York-Sunbury (Mr. Howie) before he answered the questions, in which he took quite a negative approach to the Budget. I would like to strike a different note from that, Mr. Speaker. In my view the Budget, which was presented by the Minister of Finance last week, deserves the appreciation and whole-hearted support of the House.

One very noted columnist in this country, who specializes in matters relating to business and economics, said, concerning the Budget of last week, that the Minister of Finance (Mr. Lalonde) has produced a winner. I see this Budget as maintaining that steady course which was set out for us last April. This course was designed to lead the country from recession to recovery and on to expansion. The charges which have been made by Opposition spokesmen that this Budget is merely flashy, bright and shiny are, in my view, quite false and misleading. This Budget is one of substance. It is going to wear very well. It is going to stand the test of time. It is going to produce the results which we all want. Therefore, I commend the Minister of Finance for the Budget that he introduced in the House last week.

This Budget was the product of very extensive consultation. The Minister spoke with many groups, interests and individuals across the country, as well as Members of Parliament. This consultative process means that we were given a Budget which is responsive to those representations which were made and is responsible to the needs of the country at this particular time.

When the Minister of Finance rose in his place last week to begin his Budget Speech we had a sense of confidence in what he was going to say because we knew he had not worked by himself in splendid isolation. He had been out talking to people who are deeply concerned about the Budget measures and the effect they have on the Canadian economy. The Minister had consulted widely. Therefore, when we heard the opening words of this Budget, we did not need to feel as did the composer of that old spiritual when he said, "Sometimes it causes me to tremble, tremble". There have been Budgets when that was the feeling on the part of many Hon. Members.

I would like to begin by thanking the Minister of Finance for the additional \$150 million to the Youth Opportunity Fund. That is added to the \$1 billion which has already been allocated to the Youth Opportunity Fund. I commend the Minister for opening the door to the possibility of greater productivity and better rewards for employees by encouraging profit participation plans. We are grateful to the Minister for his good housekeeping moves in simplifying the tax system for small businesses and for improving tax administration in general.

In his Budget the Minister recognized that above all Canadians today want a greater sense of security. He responded to that desire with his Mortgage Rate Protection Program. This is an incentive to home ownership. It means that a young couple wanting to buy a home will have some assurance that they will be protected against substantial increases in mortgage payments which have in the past, and could possibly in the future, be caused by extraordinary hikes in mortgage rates. That fear was a deterrent to home ownership which the Minister has now removed.

The Minister heard well those who spoke to him and demanded pension reform. Portability of pensions will help immeasurably to improve the mobility of the labour force in Canada. Permitting spousal survivors to retain their benefits upon remarriage is not only eminently reasonable, it is also humane, civilized and long overdue. It is also fair and just to have a provision allowing for the splitting of pensions between spouses in the case of marriage breakdown.

The improved tax assistance for retirement savings will appeal to owners of small businesses, farmers and professionals who are self-employed. Perhaps our medical doctors will see this as more than adequate compensation for having to give up the odious practice of extra billing. Being able to put away additional moneys in retirement savings plans will be of benefit to them. That extra billing will not then concern them so much. That is a practice which is prejudicial to those who have only modest incomes and become ill.

The Finance critic for the Official Opposition has focused the attention of the House on the size of the deficit. It is quite true that the deficit is cause for some concern. A deficit of the size which we have in Canada limits a government's capacity to respond effectively to new challenges. It restricts a government in designing programs to help solve new problems which may emerge. Deficits have a tendency to lock us into the past and foreclose on the future. Deficits call for the exercise of