

The Economy

The Minister announced a 500 million dollar job-creation program. I guess we have to say, Mr. Speaker, it is a step in the right direction. They have addressed the problem of unemployment in this budget, but it is a very small step. Five hundred million dollars sounds like a lot of money but it is \$300 per unemployed worker and amounts to some one quarter of one per cent of the total size of our economy today. It is a step in the right direction but we have a long way to go, and we on this side are convinced that the only way to achieve true, permanent job creation is a set of policies, which I will come to later, which will address the problem of 1.5 million people unemployed, not 50,000 here or 30,000 there.

• (1650)

Now, the Minister also announced that the government is going to spend some \$400 million on the west. Mr. Speaker, I may be hard of hearing, my memory might be short, but I seem to have some recollection that the previous minister of finance was talking about another figure, and I think this Minister forgot a zero. I think we were talking about a \$4 billion Western Development Fund some two years ago. There is another aspect of this. Perhaps the Minister is simply saying to us: when we tell you that we are going to do something, we discount it by 90 per cent.

Some hon. Members: Hear, hear!

Mr. Wilson: Now, Mr. Speaker, we also welcome the decision that the Minister has made on the Lortie Commission to accept its recommendation to provide some relief on the capital gains tax to Canadian public companies. This is the right direction to take and we are pleased that he has taken that step. We are also pleased that he is not proceeding on the indexed term deposit. This would have been a very dangerous step. It would have led this country directly into wide-scale credit allocation by a small coterie of bureaucrats and politicians in Ottawa doing things that the broad economy should be doing.

So that is the right decision. However, having taken that decision, the Minister has to acknowledge—and he did not in his statement—that those who proceeded to take the advice of the Prime Minister (Mr. Trudeau) and the Deputy Prime Minister (Mr. MacEachen) and the Minister of Finance and the Minister responsible for housing, who is in the House today and who encouraged Canadians to go ahead and buy a home because this proposal was going ahead—in the words of the Minister of State for Finance (Mr. Cosgrove) “there is no question of chance, the plan will be implemented”. Canadians responded to that, they bought houses, they put their money on the line, and the minister has a responsibility to tell those Canadians what he is going to do to protect them after taking on that high cost mortgage three or four months ago. That is a responsibility that the minister has not discussed today.

Now, the Minister today, and the Prime Minister last week, tried to tell Canadians that we are doing better in this country than many other countries in the world. But let us take an objective look. Mr. Speaker, I want to give you some of the facts that the Prime Minister did not lay on the table last week

in his fireside chat and that we did not hear from the Minister of Finance today, facts which will help Canadians understand why we have 1.5 million people unemployed today.

Euromoney, a respected international financial journal, sets out annually a survey which has a composite indicator of all the broad measures of the economic performance of 81 countries; economic growth, inflation, exports and exchange rates are all included. Where do you think Canada fits into this survey of 81 countries, Mr. Speaker? It is No. 40, over a period from 1974 to 1982. This is not Progressive Conservative research material, this is *Euromoney* material, an objective observer of the international scene. In the most recent 12 months we have slipped from No. 40 to No. 55. Who do you think is beating us? Saudi Arabia, sure. Germany, Japan, the United States. We would expect that. But how about Cyprus, Burma, Honduras, India, Pakistan, Papua and New Guinea? These countries are all ahead of us. I can produce that chart for any member of the House of Commons who wants to read it.

The reason we have suffered so much in these past two years from the international stresses and strains in the economy is that No. 40 position. For 15 years now our economy has been gradually weakened, year in and year out, by successive Liberal Government policies which have gradually eaten into the strength that we enjoyed some ten and 15 years ago. So that when interest rates in the United States shot up, our rates shot up even further, to as much as four to six percentage points over those in the U.S. Why? Because our inflation rate was higher and because we were suffering a record outflow of capital over the past two years. When the international economy slumped, our economy slumped further. Why? Because our productivity rate has been the lowest of the industrialized countries for the past eight years, and this has been compounded by the attack on productive investment in the November, 1981 budget.

When high interest rates and slow growth have caused 1.5 million people to lose their jobs, the federal government has had little resources to draw on to fight unemployment. Why? Because for ten years we have had reckless Liberal spending and a total disregard of the deficit problem, which has resulted in the staggering budget deficit the Minister told us today of some \$23.6 billion.

Now, Mr. Speaker, this mess did not just start in 1980 with the National Energy Program or the budget of November, 1981. It started back in the early 1970s when Edgar Benson brought in his tax reform which favoured redistribution of wealth and ignored the creation of jobs and technology and economic growth.

Some hon. Members: Hear, hear!

Mr. Wilson: The tax reform favoured consumption and discouraged job creating investment. Then, with John Turner, this whole thing continued because he presided over a period of reckless government spending, increasing in one year by 26 per cent; uncontrolled monetary policy where the money supply