

*The Budget—Mr. Domm*

the former finance ministers. The *Toronto Star* indicated the following:

Eric Kierans is a former federal cabinet minister and professor of economics at McGill University.

Also it indicated that the economic package of the Minister of Finance "comes up empty". As reported in the article, Mr. Kierans said:

The budget as a whole reflects a complete ignorance of, or refusal to deal with, the economic reality of Canada—

This gives us some idea. What does the Canadian business community think of this terrific incentive budget which is supposed to turn the economy around, to reduce inflation and to create employment?

I should like to refer to a letter from Canadian Energy Systems which is located in Peterborough and in Grimsby, Ontario. It reads:

As our Member of Parliament, would you kindly put the following question to the finance minister . . . Do you have a mortgage on your own home . . .

As a small-business man, the only way I can afford these exorbitant interest rates is to raise the price of the goods I sell. Is this not considered by the minister to be inflationary?

I read that letter is answer to the hon. member for Willowdale who said that the budget is a budget of stability. I do not think the business community thinks it is a budget of stability.

I should like to refer to a letter from a retired bank manager, Mr. Douglas Cruthers. He should be somewhat of an expert on financial forecasts and economic programs. His letter reads in part:

Having been a banker for 43 years all I can say is that this . . . is the height of rationalization of the irrational.

All the present policies will accomplish is to rob those who have saved money and put it away to provide for a reasonable standard of living in retirement.

I suggest that the government must soon start to listen to the people of Canada if it is to turn the economy around, to create jobs, to reduce inflation and to strengthen the Canadian dollar.

Now I should like to turn to a letter from rural route No. 11, Peterborough, Ontario, which reads as follows:

My company went bankrupt in 1981 and I have been seeking employment ever since . . . I have worked very hard all my life and now I need some help. I can't get it . . . we live on \$30 per week for groceries . . . I have personally lost everything I have worked for, except the love of my family—

The author indicated that he needed some help from the government. I am sure that gentleman does not feel highly about the economic stability of the present Liberal budget.

The main problem with the budget is that it discourages investment. Investment is the lifeblood of business. It creates jobs, it creates expansion, it spurs growth, and it creates profits which in turn create tax revenue that should be spent through a responsible budget. We have not found that responsible budget. The government has not created the added revenue which it is the first to realize it needs. It cannot create added

revenue for the benefit of the country by overtaxing people in a recessionary period. It must somehow or other figure out as a government how it will stimulate the economy, put people back to work, return to free enterprise, get out of the marketplace and stop taking over corporations. We as a government cannot run those corporations as well as the private sector. The more we meddle in the private sector, the more trouble we get into. I am sure everyone in Canada is pleased to own a piece of Air Canada and of Canada Post. I do not know how pleased they are to own Petro-Canada. I do not think anyone in Canada, although they use Petro-Canada service stations, have found that the gas is any cheaper. I do not think they are receiving any added service at Petro-Canada service stations which they did not get from private owners. There is nothing wrong with Canadian ownership, but there is a lot wrong with socialism and public ownership. That is the direction in which the government, with the help of the people to my left, is taking us. It was the people to my left who voted the Conservatives out of office. Now we can look at Manitoba and the other provinces in the west, at the huge deficit and at the fact that we are paying 60 to 80 cents per gallon more than we would have paid under a Conservative government, and say that the NDP and the government together have driven us a little further down the road to a socialist form of government. The budget does nothing to stimulate the economy or to encourage investment. In fact it penalizes people for investing both at a personal and a corporate level.

I should like to take another look at the *Toronto Star*, which is a favourite paper of members across the House. They love the *Toronto Star*. Let us see what that newspaper says about the construction industry and how it has been affected by this terrific, incentive budget, as the Liberals call it. The article, entitled, "Budget 'killed' rental construction economist says", appeared in the November 14 issue of the *Toronto Star* under "Budget Highlights". It was written by Denis Grayhurst, and reads:

Finance Minister Allan MacEachen's budget has effectively killed rental construction across Canada for the next six months at a time when vacancy rates are falling, housing economist Frank Clayton says.

"The budget speech deliberately misled people to believe rental construction was being stimulated," he said.

**It continued:**

Builders had planned and pre-sold buildings on the old basis, only to find the rules suddenly changed. And the change makes the deal much less attractive to investors.

He predicted that up to 4,000 MURB units planned for this year, but not yet sold, will be abandoned. And nothing will be built next year.

"I don't think they (Ottawa) were fully aware of the implications."

He was referring to the implications of the so-called housing program, the mortgage assistance program, and the rental unit assistance program. It is one of the few remaining areas of personal investment in companies taking a risk. At the personal level, an average Canadian today will not be able to borrow \$1,000, put it into a starving company, and declare the interest