

The Budget—Mr. Wilson

today. They must be changed. The budget should have shown Canadians that this government understands and is sensitive to the concerns of the people these policies are affecting.

The environment has been poisoned by these policies over the past two and a half years, but did we have any changes last night of any significance? No, we did not. We had a little bit more tinkering at the edges. But words are not enough, Mr. Speaker; the words and the tinkering on the part of the government last night are clearly not enough. It is clearly not enough to blame others, as the Prime Minister (Mr. Trudeau) did again in question period today. All this government can do is blame others. Every time this government blames the Government of Alberta, the Government of Québec, the Government of the United States, or the gnomes of Zurich or the international markets or whatever, they rob Canadians of something they need and are looking for most, and that is the hope and the confidence that we can do something about our own problems here in this country. That hope was shattered again last night.

I say to the minister, Mr. Speaker, that Canadians know the last budget was wrong and they wanted to see a change in direction. They looked for some admission of error, for some acknowledgement that a change in direction was needed from last November, something that would give them a sense of confidence that things would change, that things would improve. They hoped that maybe the job situation would be better towards the end of the year, that there would be some light at the end of the tunnel. Canadians were looking for that—and they were disappointed. The minister robbed them of that hope with his budget speech last night. Confidence will not be turned around by a \$20 billion deficit, almost three times the estimate a short seven months before. It will not be turned around by estimates that are totally out of whack with what the unemployment rate would be and how many people would be unemployed.

Canadians have spoken today. They have spoken in the marketplace where the dollar has dropped to about 77 cents. The stock market has dropped about 40 points today in the market. There is no confidence out there and the budget last night had no success in regaining the level of confidence that is so desperately needed in the country today.

People are frightened. They are frightened by that \$20 billion deficit figure, because it is out of control. When the federal government has to compete in the marketplace for the scarce amount of money available—and it has increased its requirements by almost three times—Canadians know that that will mean higher interest rates. It will mean that some borrowers, some small-business men, some home owners, just will not be able to get the money that they need to finance their homes or their small businesses.

Canadians do not understand why, when the government calls for restraint, it increases its own spending by 20 per cent—not just this year but 20 per cent last year and 20 per cent again this year. They do not understand why this government cannot manage its funds better. Canadians do not understand why the government has increased personal taxes by \$1.3 billion in this budget. At the same time, it withdraws the

indexation protection that has been given to Canadians for ten years now. They do not understand why that is done, particularly after the mistake that was made in last year's budget. In last year's budget the Minister of Finance raised taxes by \$1.4 billion. He has raised them again by \$1.3 billion, right in the middle of the most serious recession that we have had for years.

We know, Mr. Speaker, that 224,000 people are unemployed today, more than was the case back in November, 1981. We know that the growth rate has dropped from the 2.2 per cent estimate to a minus 2 per cent figure. It is partly the result of the actions taken in that budget of increasing taxes, of withdrawing investment incentives from the marketplace, job creating investment incentives that would have put some of those people back to work.

In question period today we had the Minister of Employment and Immigration admitting that there will be a further increase in unemployment insurance premiums. It has been estimated that that increase will be some \$2 billion to \$2.5 billion because of the high levels of unemployment in the country today. What does the Minister of Finance do? He did not put that in his budget statement, he did not talk about that. It was hidden there. We had to dig that out of one of the tables. He never mentioned that; he only talked about the \$1.3 billion increase in taxes. That is the sort of trickiness that continues to undermine the confidence of people in the country today. It is no way to put business back on the books of small businesses. It is no way to create jobs. It is no way to turn the economy around. That increase in taxes just perpetuates the vicious circle that we are in today.

This budget is tricky in a number of other instances, Mr. Speaker. It is similar to the last one. I recall saying the same thing the last time I was speaking in the budget debate. This budget leaves the impression that some action will be taken, that things are being done. But much of that is in limbo. I want to refer to some of these things that are in limbo, Mr. Speaker. There is a large list; there are nine different items in that budget that are still in limbo. We got the impression in hearing and reading the minister's budget speech last night, that this was action that was being taken right away.

There is a plan to increase the investment of funds in term deposits through a tax gimmick, that of only taxing the real return and not the inflationary return. There is another program to increase the funds available for the purchase of Canadian corporation shares. There is a further provision to allow for lower interest rates in the purchase of a new home, for small business loans and also for Canadian corporations to receive a greater amount of risk capital.

● (1530)

These are all items we are pleased to see. Many of them are derived directly from policies this opposition party, when it was in government and at other times, has put forward as principal elements of economic policy. Hon. members will recall the mortgage and tax credit for home owners so that they could receive interest relief. Hon. members will recall the