is now realized, I think, that the government has more or less come to the end of its tether in this field. It is recognized that we must turn to the private sector of the economy and give that sector the impetus that is required if we are to provide jobs and get Canadians back to work. Without doubt, private industry, which includes both big and small businesses, will be tempted to take advantage of the provisions in the new budget which are helpful. Without doubt, business will want to increase profits, to increase its take so to speak; it will be tempted to do that instead of increasing the number of jobs in the country. The minister has indicated that he will be watching the situation closely to see that this does not happen. I certainly urge him to do so. The thrust of the budget urges Canadian companies to invest in Canada and to create jobs for those in this country who are still unable to find jobs.

While I am talking about this matter, I should like to say something about spending, particularly public spending and public grants in the economically slow growth areas of the country. In my opinion, the Department of Regional Economic Expansion has been doing a great job. Yet I think more is needed, and I do not think that more grants from that department are necessarily the answer. If, over the years, a certain area of our country has become depressed, if that is the right expression to use, it has become depressed for a reason. For instance, perhaps there are not the raw materials available nearby to warrant the establishment of a manufacturing industry. Perhaps the area is far from markets. There could be a number of reasons. The weather might be a factor. For all those reasons as well as for others, private industry may not have seen fit to invest in an area.

The government, through the Department of Regional Economic Expansion, holds out inducements for companies to invest in these slow growth areas. In so doing, it necessarily creates side effects. There is always another side to the coin. In other words, you might set up a pulp mill in New Brunswick, only to find that that pulp mill competes with another mill in Quebec. The pulp mill in Quebec might find it hard to meet this competition. Additional competition is created as a result of a grant given to an industry in a certain area. Numerous examples could be cited. I am suggesting that the government might consider undertaking capital expenditures in areas of slow economic growth. In this modern age when communication from continent to continent is practically instantaneous, there is no reason in the world why all government buildings, departments, and major government investments need to be in one particular area in Canada. Large capital government expenditures could be made very usefully in the slow growth areas. They certainly would not produce jobs in the way a steel plant or a paper mill would, but government jobs are jobs. With government people working in these areas, service industries would grow. I think that this concept, combined with the concept of DREE, might go a long way toward eliminating some of the disparities which presently exist in our country because of regional problems.

• (1620)

During the course of this debate, many members have stated that this budget is, in effect, a countermeasure to the United States DISC program. I do not feel that is necessarily the case. There is more than one market in the world. I agree that the United States is the closest and most accessible market, but we should not overlook the huge market that is developing in Europe as a result of the enlargement of the European Economic Community. Canadians must look to that market and must tap it. There are 250 million to 350 million people in that market, and it is ready to be tapped. However, we want to tap it from Canada rather than from within the structure of the common market, as some American multinational companies have done. This budget will, I hope, encourage Canadian processing and manufacturing industries to process and manufacture in Canada at economic rates that will enable them to compete well in that huge market across the Atlantic.

We feel that the American DISC program is aimed at us, but that is not the case. Our friends to the south have a real problem. The few American multinational corporations with headquarters in the United States that invested in Europe last year managed to sell $14 billion worth of merchandise in the European common market from plants which they established inside the boundaries of that market. The total number of companies in the United States were only able to sell $4 billion worth of goods to that market. The Americans are quite justifiably concerned. They see these plants being established with American capital, while the jobs are held by Europeans. Therefore, there is some reason for DISC. This budget is a step in the right direction, but I do not believe it was aimed at combatting DISC. Rather, the proposals were made with a long range view to enable Canadian industry to compete in all markets of the world, not just the American market, and compete efficiently.

During the course of this debate, many members referred to the unhealthy state of the Canadian economy. Practically every other word from the opposition benches was about the terrible mess in which the Canadian economy is today and has been recently. I say to them, as one bull said to another when asked how his heifer was, compared to what is it lousy? Compared to what country is the Canadian economy in a mess? It has been said by someone much more learned than I, in a context I cannot recall, that no man is an island. Neither is a country nor a family. You can only compare a family man with his next door neighbour, his neighbour in the next city or the next province. The same holds true for a country. You can only tell if it is doing well or poorly by comparing the efforts made within it with those in other countries.

Should we compare ourselves with the United Kingdom, where at the moment the unemployment rate is about 6 per cent, the inflationary rate is about 10 per cent and the growth rate over the past 15 years has only been 4 per cent compared to our huge growth rate? Should we compare ourselves with that country? If this country is in bad shape, what should one say about the economy of the United Kingdom which is being so efficiently run by a Conservative government? Should we compare our economy with one of the socialist countries in Europe where inflation is running amuck, where the cost of social services is so high that governments are concerned about whether there will be some sort of revolution because of the tax burden being carried by the average individual in