

The Budget—Mr. Lambert

or "publicity" but I wonder if, attendant upon the program, there is a paid advertising campaign in order not to ask for supplementary funds. I would remind the Minister how counter-productive the paid Government advertising was with both the National Energy Program and the Constitution, given the size of the deficit. I wonder if he could assure me that with regard to the merchandising justified by the Government there will or will not be a paid advertising campaign with respect to these capital programs?

Mr. Roberts: Mr. Speaker, in terms of publicity or public relations, I should say that my colleagues and I believe it is important to communicate these proposals to the regions of the country. Some of the projects will have local significance and others will have national importance.

We are going to make a special effort and I think you will see the Ministers and Members on the Government side travelling the country talking about these things. I think that is entirely appropriate.

No special advertising campaign is presently envisaged. In the nature of things I cannot say that no informational material will be produced or distributed. We intend to communicate the program which I think is the legitimate responsibility of the Government, but we do not have in mind some massive paid advertising campaign.

Mr. Deputy Speaker: The period for questions and answers has expired and regretfully, without unanimous consent to continue, I have to call on the next speaker. The Hon. Member for Edmonton West (Mr. Lambert).

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I appreciate the opportunity to speak so early in the budget debate. I must say that I was rather taken with one particular feature of it. That was not the hubbub about the so-called disclosure of a page or two of the budget, but that at the end of the Minister's delivery Government backbenchers and Ministers stood up and applauded in a frenzy, calling "more, more, more".

Watching them during the debate I notice that every time the Minister said there would be \$80 million for this or \$120 million for that, they applauded. They reminded me of a nest of bird chicks—every time the parent bird came near the nest there was a great squawking and mouths opened wide. Every Hon. Member opposite gave the visual impression that the \$80 million or \$120 million was destined for his or her riding. That is precisely what was happening.

I hope Hon. Members have now examined the budget in detail. If they have they will see that the money is not there. All those investments they thought they were going to get are figments of the Minister's imagination, trying to sell something that does not exist.

Let us look at some of the incentive programs. In so far as they shall be tax deductible, there will be tax allowances. For the firm in a loss or break-even position a tax credit may be carried forward. But is that sufficient to induce the management to enter into hard cash expenditures for additional facilities at this time? If a firm or industry is operating at two-

thirds or three-quarters capacity, what good are incentives to improve plant and machinery if the goods are not saleable? This is a very subtly acceptable delusion. At other times in the past this practice has been in effect, and not only espoused by Liberal Cabinet Ministers.

I recall the recession that started in 1956 and ran through 1957-58 and 1959. Attempts were made to induce businessmen and manufacturers to invest in more machinery and plant through double depreciation allowances and that sort of thing. Subsequent Liberal Cabinet Ministers did the same sort of thing. I thought this was a good idea until I talked to members of the Canadian Manufacturers' Association and the Canadian Chamber of Commerce. They unanimously said that, notwithstanding what appeared to be an interesting proposition, it was a non-starter. They asked: "Why should I, as a machine tool manufacturer, for instance, invest some \$2 million in new machinery—\$2 million of hard earned money that I am going to have to spend—if the industry is operating at two-thirds capacity and I will sell additional production only if I lower my price or gain some other competitive advantage? Should I do that so that I can get a double depreciation break on new equipment, when I am not making much money? What good is that to me?" Is that the argument about many of the incentive programs that the Minister indicated are the stars of his budget?

We will see about the accelerated capital projects program, the one to which we added the \$200 million—the Minister's "save my reputation" addition to the budget.

This morning's *The Globe and Mail* listed certain things that are going to be done—public works buildings in Halifax and Vancouver, additions to Dorval Airport—things that are going to be judiciously placed in Liberal ridings. When we see the list we will see how they will benefit the country.

Another thing that struck me is how the word "incentives" has been rehabilitated in the Department of Finance. On November 12, 1981 when the Department of Finance was under the jurisdiction of the present Secretary of State for External Affairs (Mr. MacEachen), tax incentives were tax havens. They had become tax expenditures. They were to be obliterated. Not only in the November 12, 1981 budget were they anathema to Government financing, but even the Parliamentary Secretary will agree that on June 28 we still had some of the same language. During the summer the tax advisers were again saying that incentives were bad for the system. Now they have been rediscovered, and we hear them talking about incentives.

● (1210)

I hear the Hon. Member from Newfoundland making a remark. He strikes me as one of these big seagull chicks that opens its mouth every time there is mention of more funds being provided for this incentive or for that grant. The incentives, of course, do not cost the Government anything. Unless something is done, no allowance is claimed. In any event, most of the industrial incentives are on the basis of tax credits.