

The Budget—Mr. Langdon

question, that the oil and gas sector has collapsed. There may be some activity in our region near Petrolia, but the Hon. Member will realize the billions of dollars of investment that has dried up because of the collapse of the oil and gas market. If that is set aside, he will see that there has been an enormous increase in investment. The Investment Dealers' Association has its figures, but the macro figures will also show it, if the oil and gas sector is excluded. It has worked.

We will look at everything in tax reform. I am not saying that the \$500,000 capital gains tax exemption must remain. It will also be considered. The comments by the Hon. Member and other Members on this question are important because it forms part of the analysis. There is frequent mention of people buying yachts in Florida and writing it off under this capital gains program. However, the fact is that this program has helped small business generally and farmers in particular. Of course, any anomalies in the program should be reviewed.

I believe we should take into consideration one's incentives to work hard. Sometimes a person's incentive to work hard is to buy a bicycle, a painting, or to go on a trip. Is the Hon. Member saying that only certain kinds of incentives are appropriate in the lexicon of the NDP? I believe the Government should allow as much freedom as is reasonable in terms of incentives for Canadians.

I also remind the Member that the facts are indisputable that long-term common equity investment in small business has increased over \$1 billion in the last fiscal year, according to the Investment Dealers' Association. They do not trace it to the tax changes in Quebec, but to this particular provision.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, let me begin my facing the difficult task of labelling this Budget. The Government has labelled it as a good budget. The Minister of Finance (Mr. Wilson) himself has called it a "stay the course" Budget. One newspaper today called it a "breathing space Budget". I suggest that it is perhaps more indicative of a government that is out of breath, rather than one that is taking a breathing space. It could also be labelled as the "pie in the sky" Budget because the promises on tax reform are supposed to be the great highlight of the Budget. Yet there is absolutely nothing which indicates specifics with respect to such tax reform. I think as I look at the Budget that perhaps the headline in the *Montreal Gazette* this morning "The Popcorn Budget" is the best description I have seen. It is actually one I have to say I came up with before the *Montreal Gazette*. It is a Budget full of hot air. It has an awful lot of buttery syrup mixed up with it, but the major proposals within this Budget are all in the category of that famous tax levied on popcorn.

● (1700)

I feel that I should actually be complaining to the Minister of Consumer and Corporate Affairs (Mr. Andre) about the false advertising in this Budget and suggesting that this Budget should be very strongly looked at by the authorities in the Department of Consumer and Corporate Affairs who look

at false advertising, because it contains a great deal of nonsense which is not accurate and not reflective of the real state of the economy.

I would like to now look at some of the good news which is supposedly contained in this Budget. I could take, for instance, the growth rates which one might have thought would be the heart of a good news Budget. What do those growth rates say? In the four budgetary exercises for which the Conservative Government has been responsible, starting with 1984, each and every single year the rate of growth in this country has declined and declined significantly. In 1984 it declined 5.5 per cent; in 1985, 4.0 per cent; in 1986, 3.3 per cent, and projected for 1987 is not an increase, not good news, but a further decrease to 2.8 per cent in terms of growth rates.

One could look at the unemployment rates. It is fascinating to find, if one looks carefully through the documentation—there was not very much provided so it was relatively easy to look through—the growth rates as compared with the United States and various comparisons with European countries, but we could not find a comparison of the unemployment rate now in Canada with that of the United States. The reason, of course, is that it is not good news. It is very bad news.

We have in this country a 9.7 per cent unemployment rate. The United States has an unemployment rate of approximately 6.9 per cent. We work on the basis of very similar comparisons and there is no question whatsoever that we have seen the government increase the gap in unemployment rates between the United States and Canada to one of the largest levels which has existed since the Great Depression itself. There is an almost 3 percentage point difference between ourselves and the United States. We are simply being outperformed by our closest trading partner.

I could look at investment rates, which I have just done in my question to the Minister. On page 8 of the *Budget Papers* we see again figures which show that in this past year there were great decreases in investment in this country. A tremendous Conservative pro-business government has taken power. It is supposed to be a great friend of the corporate community, but it ends up giving us a significant decrease in investment levels by private business. We can take for example the 1.2 per cent for business non-residential investment. That is not just a lower growth rate, that is an actual decrease, an actual decline, which this tremendous friend of business has managed to create.

We could look further at the forecasts for corporate tax, which are always a rather interesting reflection of what the Government thinks is going to take place with respect to the buoyancy of the economy itself. When we look at those statistics, which are found on page 22 of the *Budget Papers*, we see that the actual receipts were over \$2 billion below what was forecast for 1986-87. For 1987-88 the forecasts, compared to last February's Budget, are even below the expectations which were put before the Canadian people at that time. So it is a bad news Budget, not a good news Budget.