

The Budget—Mr. Cassidy

Budget. That \$500,000 capital gains exemption will cost \$850 million because the Tories wanted to pay off their friends. Is it creating new jobs? Perhaps it is creating jobs in Florida, but the evidence is that in most regions of Canada it is not creating jobs at all. It is embedding unfairness in the tax system. There have been lots of rumours that there were going to be changes, but no action was taken.

The New Democratic Party tax probe pointed out a year ago that there were some 80,000 profitable Canadian companies which pay no tax at all. That figure is remarkably consistent year after year. It averages 75,000, 79,000, 80,000 companies per year, which means more than 25 per cent of companies do not pay tax. But did the Government move to make sure they will pay taxes this year? No, it did not. Did it indicate it even intends to do so? No, it did not. Again, there was no signal given.

We suggested that measures could have been taken which would have closed up the RRSP loopholes through the topping up which was brought in last year. The Government could have brought in revenues by closing off or by capping the tax exemption on capital gains. It could have begun to close the corporate tax loopholes not next year, but now. Was it done? No, not at all. That step was not taken. Instead, we are told that in 1987, we are going to lose \$2.3 billion in revenues from corporations because of loss-carried-forwards and other fancy dodges which have enabled the corporations once again to pay less than their fair share of tax revenues.

I would now like to speak about the question of leadership. Leadership is what we looked for in a very real sense in this Budget. However, what we received from the Government this week has rightly been called a "do nothing" Budget. The economic and social challenges we face do not allow us the luxury of caretaker budget-making. Canadians have traditionally looked to their federal Government when there were major national problems to overcome, and that certainly applies now. That will not change. This country would not exist if it were not for the leadership of Sir John A. Macdonald in seeing that the Canadian Pacific Railway was built in order to link us from coast to coast.

The leadership of Conservative Governments, for example, has given us Air Canada, the Bank of Canada, and the Canadian National Railways. Many of these things came when Conservative Governments were in power. However, the neo-conservative doctrines from south of the border seem to have taken hold, and the need for that kind of leadership seems to have escaped the present Minister of Finance. I indicated the kind of leadership that we hoped to see in the area of tax fairness, but I think we need some other signals as well.

The Government should have given us a clear signal that it is committed to a real program of national child care with the federal Government helping to provide the resources with which this important program could be launched. My New Democratic colleague, the Hon. Member for Vancouver East (Ms. Mitchell), has been working hard for the last year in order to ensure that the Special Committee on Child Care does

in fact recommend what we New Democrats have been calling for for a long time, which is that Ottawa initiate a national program of affordable and accessible child care. It will cost about \$320 million to launch that program. I suggest that that program and those expenditures are long overdue. We are concerned about job creation and we estimate that that program could create 50,000 jobs across the country in very short order. We certainly have a slack in terms of unemployed Canadians to meet those needs for workers, and I suggest that in terms of social justice, justice for families, for women, for both sexes, this is a program which is long overdue.

The kind of leadership we do not need is what my hon. friend, the Hon. Member for Yorkton—Melville (Mr. Nystrom), referred to the other day when he exposed the shabby plans of the Government to bring in a western initiatives program, trying to dress it up as something new. As my colleague pointed out, the sum total of this new regional initiative for the West appears to be the money it will cost to change the shingles on the offices of the Department of Regional Industrial Expansion in Saskatoon, Edmonton and Vancouver, as well as moving a few DRIE employees to a new office in Winnipeg. This kind of thing used to occur when the Liberals were in power. I do not know why the Conservatives have to copy-cat everything that was done by the Liberals when they were in power. When people talk about open Government, they are looking for something a lot more honest and substantial than that.

I want to talk now about the farmers who are concerned, and rightly so, about this Budget. In 1987-88, we will have a payment to farmers of \$700 million, with the \$1 billion payment, to compensate them for the disastrous economic situation into which they were plunged by the grain wars between the EEC and the United States in the 1986 crop year. What will happen with respect to that is that we have an *ad hoc* program for one year and no guarantee of consistency or continuation. Effectively, those farmers are not guaranteed in any way that they can pull through with the 1987 crop year. We need some openness and anticipation on that front.

I will come in a moment to a few specific proposals for economic development in our regions, but I suggest it is now time to make a fundamental change in our economic policy and in how we define our economic objectives. It is time for the Government to adopt a policy of full employment and to make the policy of full employment a centre-piece of economic strategy for the Government of Canada, not just in 1987 but in 1988, in 1989, and for the next decade, or whatever time it takes us to get there. I suggest in fact that within four or five years, we should be able to get to full employment, not just the 6 per cent the economists tell us is now the non-accelerating inflation rate of unemployment. We should be down to the unemployment rates which are experienced now in countries like Sweden and Austria and that we in this country experienced back in the 1950s and early 1960s. It should be possible to aim for rates of unemployment as low as 3 per cent or 4 per cent in Canada. I believe it is possible and realistic