

*The Budget—Mr. Dinsdale*

actions by the government before I conclude my remarks this afternoon, particularly those in reference to its approach to one of the major problems in the Canadian economy, that of regular winter unemployment resulting from the severity of Canadian winters.

Applying this term to the electioneering type of budget brought down by the Minister of Finance (Mr. Turner) as his first attempt at budgeteering, he made many fine statements many of which I could quote. On February 24, as recorded in *Hansard* at page 217, the minister said:

—I see our first priority to be to provide good jobs for Canadians who are seeking work.

As reported at page 215 for the same date, the minister said:

I fully recognize that statistics are no substitute for jobs.

Again, in the same speech he said:

My first and most urgent priority is to provide continuing and well paying jobs for those Canadians seeking work.

I think there has been sufficient said on this side of the House to point out that the budget brought down by the minister negates those fine words. There is ambivalence as between coping with the dual problems of inflation and unemployment because the Minister of Finance is recorded at page 1998 of *Hansard* for May 8 as saying:

I am hoping to achieve industrial growth at a pace that will not aggravate the inflationary impulses in the economy and escalate the cost of living. This government is committed to reasonable price stability.

I point out that the budget does not deal with what the minister laid down as the number one priority, namely, dealing in an adequate and comprehensive way with unemployment. Other members have spoken in this vein today so I shall abbreviate my remarks accordingly. The main emphasis in stimulating the economy has been placed upon reduction in corporate taxes. This is fine as a long-term measure to deal with long-term economic problems, but Canada requires solutions to present day problems. The Leader of the Opposition has, in season and out of season, travelled across the country hammering away at the essential problem, bringing before the people of Canada, not only in this House but on the hustings the solutions he thinks are required to deal adequately with this problem. I noticed that the hon. member for Winnipeg South Centre (Mr. Osler) paid considerable attention to the activities of that hon. gentleman in this regard.

It is interesting that the Leader of the Opposition has had considerable impact in the west, as recent public opinion polls indicate. The problem surrounding the slow-down in the economy as it affects corporations, manufacturing and processing businesses represents only one aspect of the difficulty. I should think if we are going to have a budget to deal with the first priority as outlined by the Minister of Finance, to provide good jobs for Canadians seeking work, we must immediately stimulate the purchasing power of the Canadian public.

Certain spokesmen for the government have referred to the bugbear or bugaboo of inflation. I say in this regard that the extravagant expenditures of this government have been a greater contributor to the fires of inflation than any excessive demand on the part of the Canadian public at this time. This is not the occasion to outline in

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any great detail how the government has so boosted its expenditures that inflation was an inevitable by-product of government fiscal mismanagement.

There has to be a reduction in personal taxes at this time. The Leader of the Opposition has been consistent in presenting this proposal to the Canadian people, hence the attack at some length by the hon. member for Winnipeg South Centre, with no particular impact. The hon. member for Red Deer (Mr. Thompson) spoke on this subject, pointing out that since 1968 the present government has been trying to cope with the problem of underemployment and underproduction in the Canadian economy by favouring the corporate taxpayer rather than the personal income taxpayer. He put figures on the record, but some hon. members here now were not in the House at that time.

From 1968 to 1969 personal income tax revenue rose from 34 per cent of total income to 44 per cent, whereas corporate tax went down from 20 per cent in 1968-69 to 15 per cent in 1972-73. Again the government is resorting to the same formula to deal with what the Minister of Finance has described as the number one problem in the Canadian economy. I suggest it will have exactly the same effect: it will increase unemployment in the long term, and I think the figures over the next few months will demonstrate this point, rather than increase employment opportunities.

There are many fine, new, shiny factories lying idle across the nation because of low demand on the part of the Canadian consumer. From the standpoint of a western member of parliament, I should like to say that the rapid depreciation on machinery will not have a helpful effect in dealing with the problems of western Canada, that part which can be referred to as a comparatively underdeveloped segment of Canada's economic area. As has been pointed out, if you encourage accelerated depreciation on machinery used in manufacturing and processing industries, you get a situation in which machinery will tend to replace workers.

• (1650)

I am sure, also, that it is almost axiomatic to point out that this creates a situation in which there is a high degree of non-Canadian labour content because a good deal of the machinery used in the manufacturing process is built outside Canada. Obviously an increased use of machinery in the manufacturing process is a part of automation which is one of the major difficulties in the growing problem of unemployment. The government has not even started to deal with this whole complex problem of automation. It will be found that machinery displaces the less skilled operator in the first instance. This is the area of the Canadian economy in which chronic unemployment tends to be most persistent. Obviously, in areas of Canada such as western Canada where there is lack of manufacturing and processing industries, this provision for accelerated depreciation of machinery will not help solve the special problems in the west to any great degree.

The hon. member for Winnipeg South Centre, the Minister of Agriculture (Mr. Olson) and other spokesmen such as the Minister of State (Mr. Mahoney) who spoke earlier this afternoon have all tried to paint a picture that all is