

*The Budget—Mr. Broadbent*

In 1972 the New Democratic Party began to call these companies the corporate welfare bums. After the latest round in this game played on Monday night, the score is: "The bums, \$350 million; the public, zero."

The budget seeks to deflate the economy by imposing a dishonest, disguised and disreputable tax—and I use these words advisedly—on average and lower income working Canadians; it does this under the guise of making changes in the unemployment insurance scheme. This so-called tax will take in about \$350 million this year. And if the government decides under the new proposed working average that it will be responsible for unemployment above 6 per cent, instead of the present 4 per cent, then next year the new revenue figure may be in the neighbourhood of \$550 million. Mr. Speaker, a more regressive form of taxation is simply impossible to imagine and impossible to apply in Canada now.

The budget places the rising costs of hospital and medical care squarely on the provinces, thus making the tax burden impossible for the poorer provinces and the people who live in them. They will not be able to maintain existing programs in these fields, and it will be next to impossible even for the richest provinces to expand innovative medicare and nursing home facilities. Such facilities have been established in Toronto in recent times. It is therefore likely that many provinces will need to resort to abhorrent deterrent fees, to cut back services, or to introduce regressive taxes. No single act could be simultaneously more damaging to a minimum national standard of medical service and to national unity.

The budget offers virtually nothing to the three million Canadians who badly need housing. Instead of doubling the current target of 210,000 housing units to over 400,000 by means of a crash program, the government, through the budget, seeks to extend current incentive programs in the private sector. These programs have demonstrably failed this year. The budget proposals will result, at best, in another 8,000 housing units. So much for the housing crisis which the Prime Minister, before the last election, said we were facing.

The minister, in the budget speech, said that current wage demands of working Canadians are the cause of our trade problems; but there is not a shred of evidence to support this view nor an economist in the country who subscribes to it. The tables the minister provided on Monday night completely failed to provide a comparison of wage rates sector by sector, a comparison which is essential if there is to be an allegation that our trade with the United States is being adversely affected by the size of Canadian wage increases. I suggest that this failure to provide sector by sector comparisons was not accidental. If the minister had provided these tables, I suggest that he would not have been able to show that increases granted to Canadian workers which may be larger than increases granted to American workers are bringing adverse effects in terms of trade.

The minister failed to produce statistics in support of the rhetoric which he and the Minister of Industry, Trade and Commerce (Mr. Gillespie) have been bandying about on this point in recent months.

[Mr. Broadbent.]

**Mr. Stanfield:** Include the Prime Minister (Mr. Trudeau).

**Mr. Broadbent:** Yes, I include the Prime Minister. The budget's attempt to deal with the fact that we have more than 700,000 unemployed now, and will have as many one million unemployed by this winter, would be laughable if it were not so sad. It allocates \$70 million to occupational training for jobs that do not yet exist. It allocates \$285 million to the local initiatives program which will provide low-paid employment for about 20,000 people for two years. Another \$25 million will finance employment for only another 1,200 people a year for a two-year period.

The budget's new tax incentives to the private sector are offset by reductions in at least equally effective federal department expansion programs. Millions are taken out of the public sector and given as gifts to private corporations, on the baseless assumption that the jobs lost in the former will be made up in the latter.

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The recent report by the minister on the effects of his \$1.8 billion corporate tax concessions during the 1973-74 period made it clear that such give-aways are a criminal waste of money. They simply do not produce the results the minister says they do. Liberals never lose, and their corporate friends never suffer, as long as they are in power.

The principal point in the context of this debate is that this budget will not stimulate employment. That is the over-riding and profoundly important conclusion that one has to reach. There could be no single more condemnatory fact that one could lay down about the budget than to say it is not going to lead to job creation.

In summary, the budget is a cruel disaster, a hodge-podge of fake or incomplete recipes, totally lacking in their moral concern or their intellectual consistency. It has been rumoured that this may be the last budget of this Minister of Finance. For the sake of the people of Canada, I hope to God it is.

I now want to deal in detail with some of the more alarming of the budget proposals. In a budget replete with errors in policy, there are two which are not only bad for this year but have a profound implication for the future of our country and all the people in it. I refer to the changing of the financing of unemployment insurance benefits and the changes in the financing of hospital and medical services.

Consider the proposed changes in the unemployment insurance scheme. I say in all seriousness that not only does this proposal really constitute an immediate, regressive and disguised tax on all those who pay into it, and that is the majority of working Canadians, but it undermines a basic principle in our Unemployment Insurance Act. By setting a fixed unemployment percentage figure above which the government would have to assume the cost of financing unemployment, a built-in regulator was established which would cause the government to take action to keep unemployment down. This point was acknowledged by the then Minister of Labour, the hon. member for Verdun (Mr. Mackasey), at the time this legislation was introduced and passed through this House.