

The Budget—Mr. Crosbie

ours! In U.S. terms, our deficit would be \$200 billion. Yet our representatives told the President of the United States what he had to do. Now we see what they have done. They have a deficit twice that of the United States. So much for their strategy of seven and a half months ago.

In the lockup we asked about the government's strategy to overcome inflation and bring down interest rates, but no one could tell us what it was. There is no strategy. The government is in a whirlpool. It has Canada in the centre of the pool. We are becalmed and the government does not know what to do. All it can offer is a few little political palliatives in an effort to satisfy its sheeplike backbenchers and get them through the summer so that they will continue to vote with the government and keep it in power. All it wants is to be in power, event though it is bankrupt of ideas, bankrupt of action and is bankrupting this country.

Never has a minister of finance of this country so demeaned himself as has this minister from Cape Breton. On page 2 of his budget speech he referred to the United States and all the industrialized countries of Europe, saying that they created additional hardship for Canadians. He said: "Their governments are unable or have not chosen to design their economic policies to help us get out of the recession." Imagine, Mr. Speaker; the Minister of Finance says that the governments of the United States, Germany, Belgium and Luxembourg have not designed their economic policies to help us out of the recession! Of course not. They devise their economic policies to get themselves out of recession and it is up to the Government of Canada to devise policies to get us out of the recession. But the Minister of Finance complains that the other countries have not devised policies to get us out of the recession. This is how we are led, Mr. Speaker. This group is leading us blindly to disaster and does not even have the good grace to take the blame and responsibility but wants to blame everything on the United States and the western European countries. The Parliamentary Secretary to the Minister of Finance (Mr. Fisher) is looking bedazzled. He does not know what it is all about but he will when the next election comes around.

You will notice, Mr. Speaker, that there is not a word in the budget about monetary policy. I think it is peculiar that the government should bring in a document which deals with our financial and economic position, in which high interest rates form the cross upon which Canada is being crucified, but the budget does not once discuss monetary policy or say whether the government will continue to support the Bank of Canada or direct it to reduce interest rates or even print more money to meet this gigantic deficit. Monetary policy is not discussed in this document. It is a complete admission that the government is bankrupt of ideas.

Today the markets are shaky, the dollar is down and all our other problems continue. The government has admitted that the gross national product will decrease by 2 per cent this year. The Parliamentary Secretary to the Minister of Finance yawns. He does not care if the gross national product declines by 2 per cent. That means that the goods and services manufactured in Canada this year will decrease. There will be less

for all at the end of 1982 under the stewardship of the government, but it does not care. As long as it can remain in power and have the perks and the executive jet aircraft—and two new ones have been ordered at a cost of \$27 million to fly members opposite around Canada so that they can look down and see the carnage below—it does not care.

• (1710)

There is no forecast of unemployment in the budget. That is the devious Minister of Finance; if you do not like the forecast your people give you, you do not include a forecast in your budget. There is no forecast for inflation or just about anything else.

The interest on the public debt, Mr. Speaker, has gone up 21.1 per cent this year. Just seven months ago the minister forecast interest costs of \$16.5 billion; it has now gone up by \$1.1 billion. Just about one out of every five dollars that the government spends will be spent on interest. That is where we are headed. We look at the paper today and see the latest figures on what Canada owes the rest of the world. Canada was \$90 billion in the red on its balance of payments in 1981, up from an estimated \$78 billion one year earlier. The \$90 billion is the net balance that we owe the rest of the world, which is a record. We are sliding further and further into debt to the rest of the world.

Is there any plan to deal with that in the budget? Not at all. Is there any concern? Not at all. This budget does not even revoke last November's budget; it is still there. That budget, the most hated document ever delivered in this House in our history, still lives. Departmental officials have told us that there were 25 changes up until yesterday, and eight more in last night's budget. There have been 33 backward steps taken by this minister but he has still left intact many damaging items from the last budget which increases the uncertainty.

For example, Mr. Speaker, there is not a word said about northern allowances. The minister is still determined to tax northern allowances, as he promised to do in his budget of seven months ago. Just look at how uncertain he remains. Instead of trying to make everything clear and certain so that the public and the investor can understand, if we look at page 6 of the budget we see the minister saying first that he has proposals to reduce the taxation of investment income and interest rates to borrowers. There is a new form of term deposit and a new scheme which applies to common shares of Canadian corporations so you will not be taxed on your inflationary gains. But then he says these measures are not going to be implemented now; there is going to be a committee which will look at them. That, of course, creates tremendous uncertainty from now until the end of September when that committee is supposed to report and the government is supposed to make a decision. So there is no certainty for the investor here. They are going to hold their money, not knowing whether these devices will come into effect.

Then at the top of page 7 we see he is only going to postpone for one year the 12.5 per cent corporate distributions tax. Then we see that the proposals related to the deduction of interest expense will be reviewed. Just reviewed. A little further down