

*The Budget—Mr. Evans*

This budget is a very realistic assessment of our economic situation and what is needed. The Minister has brought down a budget which puts forward short-term job creation measures and builds upon the employment creation measures that we have in place, work sharing, the NEED Program, the skills training program. Basically it builds for the short term on these job-creation measures that are in place. It builds for the medium term by accelerating public works at both the federal and the provincial levels. It accelerates those public works which will create jobs, and it puts in place a very comprehensive and, to my mind, a very effective array of incentives for the private sector for the medium to the longer term so that private sector growth and development will come onstream as we begin to phase out some of the direct job-creation programs at the federal level.

● (1115)

Knowing that Governments cannot create long-term jobs, it is a very realistic assessment that only the private sector can create long-term, lasting jobs. How do we move from the transition period that we are in now? We are in a deep recession. We are starting to come out of it, but how do we accelerate that? How do we create the confidence, how do we create the conditions within which short-term jobs can be created by the Government and permanent longer-term jobs can be created by the private sector, and how do we bridge that gap between now and when the private sector will be back onstream in full force? In this budget, the Government has created a number of measures and programs which will, I believe, do just that.

As I have said, Mr. Speaker, the budget is a multi-phased attack on unemployment and economic stagnation. It does not go overboard by greatly increasing the budgetary deficit. The deficit is something that is of concern, I am sure, to all of us. Some of us are less concerned than others, but certainly the deficit problem is of concern.

The public sector cannot continue to expand at the expense of the private sector because the private sector is where the wealth and the growth is and where long-term jobs will be created. We realize that and the Minister realizes that. The Minister has tried to put a plan in place which will use the Government spending that is required during this transition period and then phase down the level of Government expenditure as the private sector moves on. This plan will certainly reduce and perhaps eliminate pressures on interest rates that might result if the Government and the private sector were competing for those same investment dollars. I suggest to you, Mr. Speaker, that we will be successful in doing that. The Minister has put forward the kind of measures that are necessary for this to happen.

The budget brings forward policy measures that stimulate investment for growth. It brings forward measures that stimulate areas that many of us have been saying for years now need to be dealt with, such as the stimulation of equity investment by Canadians and the ownership of Canadian industry by Canadians. To my mind there are very effective

measures in the budget to encourage Canadians to buy shares in Canadian companies. There are very effective measures to encourage Canadians to invest in research and development, to take a share in their own country.

Those measures will create additional spin-offs not mentioned in the budget that I think will prove to be very useful in the area of compensation strategies for the future. If Canadians are more prepared to take an ownership share in Canadian industry, then we might be able to expand that notion and talk about profit-sharing plans and share ownership by workers so that there could be a much more effective, useful and productivity-oriented compensation system in this country.

This would follow the example of the compensation system that now exists in Japan. We have heard the New Democratic Party say it would be very interested in considering and examining this system very closely. I have also heard this from Members of the Conservative Party. They have indicated that the Japanese system of productivity based compensation is one that we should be looking at.

The New Democrats tell us that the Japanese have only 3 per cent unemployment, much higher growth rates and lower inflation. One of the main reasons for that is that compensation to Japanese workers is tied to productivity. That includes not just the workers in the classic definition, as the New Democrats would put it, but includes everyone who contributes to the output of the economy. Workers includes managers in a system where all their compensation should be tied to their contribution to the output. In that kind of situation, economic downturns produce less unemployment than in a system of fixed and rigid wage structures such as there is in this country at the present time.

● (1120)

Members opposite talk about the budget deficit and say that the Government cannot throw money at the problem without creating very serious long-term difficulties. But the Government cannot simply slash its way out of the deficit, Mr. Speaker. We are in a very tender circumstance at this time. If the Government were to become obsessed with the deficit—and a great many economists agree with this—and try to reduce the deficit at this time, it could plunge the economy back into recession.

A very fine balance has to be struck. I believe the Minister has done precisely the correct thing and has found the fine line and the balance that needed to be struck. He has increased the deficit above what would have been the case without the budget, that is true, and I believe it is also appropriate. He has not increased it dramatically; he has increased it in a way that will effectively deal with some of the more pressing problems that all of us have identified for him over the months we have been talking about economic issues. I suggest to you, Mr. Speaker, that while the deficit is of concern, the Minister has taken the approach that is appropriate for these times and has put forward a plan which indicates a reduction in the deficit in a phased, gradual manner. I suggest that it will not disrupt the