

The Budget—Mr. Abbott

I will concede, Mr. Speaker, that that program has been in effect only since September, but it has not been as successful as the ministry expected because it has not been as generous. If I may repeat, in the other eight provinces the grant is added to income, and those who are in the middle income tax brackets, and so on, find that it is of very little use. The other thing is that that \$500 pays only up to two thirds the cost of the material. Of course, a good many smaller homes which might be able to insulate will get only \$333. I suggested to the minister that if \$500 is spent for insulation there should be no percentage deduction.

On Friday the hon. member for Ottawa-Carleton (Mrs. Pigott), who is our critic on housing, mentioned how important housing is to the people of Canada. Certainly, that is an understatement, if anything. We on this side of the House are very, very concerned about the many Canadians who do not have proper and adequate housing, or even affordable housing, although we know that there are a great many homes available for sale if you have the money. That is the catch. It is most important that housing be made available for those in lower income brackets. Again, I recommended, as I have for years, that tax on tax is unfair, that real estate taxes on a home should be deductible from income tax up to a certain amount. At the time I suggested \$500. That could probably go as high as \$700 or \$800 today. Once again I repeated it and recommended that the minister submit it to cabinet.

Another thing that this party has recommended is that mortgage interest payments should be deductible, as they are in the United States. A great many people are finding that the cost of carrying a home mortgage is crippling, and they are just not able to make ends meet.

It has been a privilege, Mr. Speaker, to add a few comments on this, the last budget of the Trudeau government before they go down to defeat in the next federal election, which, I presume, we will hear about in the immediate future.

Hon. A. C. Abbott (Minister of State (Small Business)): I want to say, Mr. Speaker, what a privilege and pleasure it is to rise this afternoon and to follow my hon. friend from Parry Sound-Muskoka (Mr. Darling), who gave us some interesting if defective comments. He reflected on some opinions that I am afraid his normal good sense waived in favour of repeating some of the points that we have heard these last days on the budget debate by the variety of financial critics that the Tory party possess. As the days go by, however, more and more of their number have chosen to stand down from the fray. Many of them, as has been said earlier, will be missed, but I can think of some who might go and not be missed.

The other day I was up in Parry Sound-Muskoka, and a very beautiful part of the world it is. I had the pleasure of meeting with a number of small businessmen and a number of Liberals, an ever-growing number of Liberals up there.

Mr. Darling: Not growing fast enough.

Mr. Abbott: No, there is not enough of them yet, but I have every expectation that by election day there will be a good

[Mr. Darling.]

many more. While I do not suppose there is a more popular member here in the House than the hon. member for Parry Sound-Muskoka, I am afraid, from the enthusiastic warmth that I received there, that he is going to be enjoying more of that beautiful country than he is able to today.

The problem that we have seen over the last few days, both in question period and in the House on the budget debate, has been a worrying, depressing attempt by the opposition, desperate and hungry as they are for political power, to debase this budget. Languishing in opposition, as the Canadian people have justifiably seen fit to let them for so many years, they have exhibited those tendencies that people tend to develop in desperation and have tended to look at the Canadian economy not as loyal, patriotic, positive thinking people who should know better, but as opposition critics who are seizing every opportunity in an attempt to denigrate the accomplishments not simply of this government, but, in the eyes of the world, the accomplishments of the Canadian economy, the Canadian worker and the Canadian people.

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The opposition have attempted by every method that they can develop to lower the esteem in which this country is held. I am not suggesting that all our problems are occasioned by opposition criticism, but it is very clear that they render no service to this country and no service to their own party when they attempt to mislead parliament and the Canadian people about the kind of shape the economy has been in over the ten years of this government.

I think it is essential, if anybody is to speak in this budget debate in order to counter this kind of inflammatory, libellous and false accusation that the opposition has been marshalling in the last few days, to refer to the period from 1964 to 1975. It will be seen that our rate of economic growth was exceeded only by Japan. Our job creation in a country with one of the world's fastest growing labour markets was the best of all industrialized countries.

Between 1967 and 1976, Canada's gross national product in constant dollars grew by 53 per cent, just double the 26 per cent U.S. growth in g.n.p. Our real disposable income rose by 73 per cent versus 33 per cent in the United States, while our inflation rate stayed steady with theirs. Without belabouring statistics, I should add that in the eight short years from 1967-75, Canadian productivity in our goods producing industries increased from 65 per cent to 85 per cent of U.S. productivity levels. For durable goods, the productivity gap narrowed all the way from 30 per cent to 2 per cent.

There is no question that in Canada we faltered economically in the past two years. In part, as the Prime Minister (Mr. Trudeau) told the Economic Club of New York recently, it was because we became the victims of our own real income, and therein, as all of us know, lies the psychology of inflation. We tended to forget about that still remaining productivity gap, demanding and granting wage settlements that were harmful to our exports and made imported goods more attractive. By 1975, wage settlements averaged 22 per cent. Average