

● (1150)

I wonder if the Minister would look at this problem with the Minister of National Health and Welfare (Miss Bégin) to see if the total can be raised, at least for the men and women who have lost part of their bodies in industrial accidents.

Mrs. Erola: Mr. Speaker, I am aware of the problem and I have already initiated discussions with the Minister of National Health and Welfare, and indeed with the Minister of Finance.

The Acting Speaker (Mr. Herbert): Debate.

Mr. Skelly: Mr. Speaker, the opportunity to question the Minister on an extremely important point such as this does not often come up in the House. I wonder whether or not the House might give unanimous consent to extend the question period slightly?

The Acting Speaker (Mr. Herbert): Extension of the question period would require unanimous consent of the House.

Mr. Fisher: Mr. Speaker, I know the concern of the Member in wanting to ask his questions and express his views. Unfortunately I cannot agree because of the number of people on our side who need to speak as well.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this Budget has been described as a non-Budget. Lyman MacInnis in *The Winnipeg Free Press* is quoted as saying:

Most of what we are talking about is in the "if" category. It is a budget that hurts absolutely no one because most of it becomes effective in 1985 when this Government may no longer be in power.

Mr. Speaker, I sometimes wonder why we had a Budget on February 15 if all we were going to get was what the Minister supplied. I suppose the only real reason he spoke is that he wanted to have an hour on television all to himself. He wanted to make sure the news media were able to say some things about him. Sir, the news media and commentators have been saying a number of things about the Minister and we want to discuss those here today.

First of all, there were some "if" things that were worthwhile, I suppose. It is good to have a discussion on profit-sharing and an insurance scheme on mortgage interest. It was good to have a discussion on pensions and changing RRSPs, and so on. But there was really no legislation or concrete proposals. On the question of income tax there were some interesting suggestions with respect to small business taxation and simplification, but even that does not go far enough. These proposals are not something you can grab hold of and say, yes, we have to do that immediately; they all have to be studied. For example, the small business proposal leaves the 12.5 per cent dividend tax in place, which discourages equity investment. Why would you invest in equities if your dividend is going to be taxed? The fact is that this particular provision has to be changed.

The Minister has asked for information by April 15, and surely he will receive those kinds of directions and the matter

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will have to come before a special committee of this House so we can go over the proposals on tax simplification. There is a great deal that has to be done here. At least we have some effort by the Government to consider tax simplification, but this particular proposal does not go far enough.

Getting into the real guts of the problem with this Budget, Mr. Speaker, the fact is we have a deficit which is literally mind boggling. Experts in *The Globe and Mail* are quoted today as saying the Budget is likely to bring on a new recession because we cannot go on forever spending \$1, taxing 70 cents and borrowing the other 30 cents. What happens is that the Government goes to each Department and asks what they would like to spend. There is no real effort to cut down or economize and cut back. In many cases the Departments just add 3 per cent, 5 per cent, 8 per cent or whatever they think they can get away with and seems reasonable. What does the President of the Treasury Board (Mr. Gray) do? He grabs it, puts it all together and wraps it in blue and calls it the Estimates.

These Estimates are well prepared, Mr. Speaker, but spending is 10.4 per cent higher going in than we had at this time last year. When has the Government ever stayed in line with its spending estimates?

When you analyse this Budget you find it deliberately underestimates expenses in certain fields. For example, the central reserve is deliberately cut back by \$300 million to show a lesser deficit than it should be. The lapse account is deliberately overestimated. That again minimizes the proposed deficit. On top of all that, we look at the fiscal arrangements transfer envelope and we find it is almost static. Why? Because that envelope depends on economic conditions. So we are able in those three items, together with a misstatement of revenue, to underestimate the proposed Budget deficit for 1984-85 by at least \$4 billion and probably much more.

This Minister has presented these figures on the basis that growth will be 5 per cent, and no economic group in Canada, indeed in the world, will say the Canadian economy is going to grow at 5 per cent. The best I saw was Wood Gundy saying 4.5 per cent, but the highly respected Conference Board says 3.3 per cent. The Minister has put on his rose-coloured glasses and said that as far as his reserves are concerned it is a best case scenario. As far as the lapse is concerned, he can lapse more money than is normal. As far as transfers to the provinces are concerned, they will be less than normal. As far as revenue is concerned, it will be significantly higher than forecast by anyone else. It is a best case scenario but it is not realistic and we are looking at disaster down the road if this Government carries on this way.

A great deal has been said about cyclical and structural deficits. The problem here is really structural. Even if we had the best times possible there is no way that revenues would pay the expenses of the Government. Indeed, even if everyone was working and every factory and plant was going at 100 per cent capacity, this Government would come in with a deficit, under present spending arrangements, of at least \$18 million.