

The Budget—Mr. Axworthy

trying to paint a fantasy picture. We must face the reality. What the Minister of Finance has proposed is a budget that will provide a major lift to recovery in the private sector. Not only does this budget provide a number of incentives, tax credits and write-offs for industrial investment and provide for an extension of loans for small business, farmers and fishermen; it also addresses what I think is a very clear message to Canadians, which is the necessity to change the mood and atmosphere of the country and begin to say that we can be on the road to recovery. That is why it was so important to inject through the capital budget program a very clear and strong signal that things will happen in this country and there will be economic movement and activity.

Those types of projects have the double purpose of bringing an economic enzyme into the system to begin a resurgence of activity while at the same time providing direct work for professional architects, engineers and construction workers and ultimately to place in the economy a new capital infrastructure. There will be research centres, transportation centres and new facilities and structures in mines and forestry.

Would Hon. Members in the Opposition deny that this is not an investment in the future? Would they deny that we need new bridges and airports and roads? I know the Members in the New Democratic Party deny the necessity for good transportation because they oppose the \$16 billion new capital investment in the western railway system and the 300,000 jobs that will go along with it. I realize that they are stuck with the old alliances that they cannot break away from, but that is their political problem and one which we understand and sympathize with.

Mr. Waddell: That is why your Party did so well in Manitoba.

Mr. Axworthy: The fact of the matter is that we hope the Conservatives, who have some more sense, will recognize that coupled with that investment is the chance over the next three years to introduce new facilities, factories and an infrastructure in this country which would allow goods to move to the market and allow manufacturers to draw upon new research opportunities. That is the signal that had to be relayed to the private sector, and not only in terms of direct assistance to them since it is the engine that must move the economy.

We cannot socialize everything as the Hon. Member for Kamloops-Shuswap would have us do. We cannot nationalize all the economies as he would recommend. We must rely upon the private sector and use it as an engine of recovery. Therefore we recognize the need to work in partnership with the private sector. At the same time we also recognize that it takes time to get the engine moving toward that destination.

Therefore to complement investment in the private sector through both the special recovery programs and the various tax incentives, the Minister has also tried to provide a major investment in directing employment programs. He was quite correct when he said last night that we will be investing more money in direct employment programs than at any time in the history of this country.

Let me cite some figures so that Canadians will recognize their significance. I address this particularly to the Member for St. John's East who is new to his job and will be able to use some of this information to good purpose. In my department alone, aside from what is happening in the housing department and other areas, we will be providing over 300,000 direct employment places for Canadians as a result of this budget. The Minister of Finance has given us the resources to add an additional 126,000 jobs for Canadians.

When the Hon. Member for Kamloops-Shuswap says they are not interested in that, I would ask him why he is not interested in our providing something like an additional 400 or 500 jobs in his riding alone. Is he telling those 400 or 500 workers in his riding who are now working on NEED programs and summer youth programs that he is against them and does not want them working? Is he saying that he does not pay attention to them? Is that what he is telling those 400 or 500 people in his riding who are now working as a result of federal Government job-creation programs?

I would suggest to him that considering the number of letters he has sent me asking for more money under our programs, it would seem that he is talking from both sides of his mouth and not giving us credit for what we are doing. I do not think that this shows honesty. If we are to see an economic recovery we have to be honest with the Canadian people.

Those Members have an easy answer. They say it is to extend Unemployment Insurance benefits. What a wonderful solution! We carefully considered that but what the Hon. Member may not recognize is that the Unemployment Insurance Fund is a contributory fund of workers, business as well as Government. We consulted those other partners to the fund last fall and showed them that if we were to provide an extension of benefits of some 26 weeks it would cost an extra \$5 billion to the UI fund. There is the Member, indeed Members from both Parties, saying that we cannot afford to take more money from the consumers' pockets, but he is advocating an extension that would take \$5 billion out of their program. It is like dancing on one foot, then the other, and then ending up with both feet in mid-air on no solid ground at all.

Let us get rid of that fallacy and return to what we are doing under the NEED Program where we now have \$800 million invested to help people who are exhausting their Unemployment Insurance benefits. Incidentally, I am pleased to report that as a result of those programs the rate of exhaustion is far less than what we initially forecast in our own study. Whereas we forecast a rate of 60,000 or 70,000 over the past several months, it has really been closer to 45,000 or 50,000. While we are putting those people back to work the Hon. Member says that he does not like the make-work projects and does not want people raking grass or painting gravestones. I would point out that in his own Province of British Columbia over 60 per cent of the applications under the NEED Program are from private sector firms. They are modernizing their factories and expanding their facilities.

Mr. Waddell: That is nonsense.