

The Budget—Mr. Hees

things we want for society as a whole. If we could bring all these various groups together we would see, if we could look far enough ahead, that we have a mutuality of interest in the solution of our common problems and that we have common objectives. I think it would be found that our objectives and even our methods are not mutually exclusive. We could then fill in the gaps in greater harmony.

Since I know that we are to be favoured with an address by the hon. member for Prince Edward-Hastings (Mr. Hees), and because more members are now entering the House—they want to listen to him—and time is getting on, I shall defer to the hon. member.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I start by thanking the Parliamentary Secretary for his graciousness in terminating his remarks, thereby giving me a chance to finish my speech before six o'clock. I appreciate this very much indeed.

The budget that has been presented by the Minister of Finance (Mr. Benson) I believe could be summed up as an expenditure of \$500 million to try to bolster the economy which, because of lack of positive government economic policies, has been allowed to run down in a rather shocking fashion.

Mr. Bell: Shame!

Mr. Hees: We all hope that this infusion of \$500 million will greatly reduce unemployment. We can only wait to see what the results will be, hoping that they will be successful. I believe this budget pays far too little attention to incentives to stimulate the economy and make it possible for employment not to be provided just on a temporary basis as a result of construction projects but on a continuing and expanding basis. I believe that by stimulating the economy we could provide the expansion of our continuing economic processes, those processes carried out by industry, so that we could have not simply an increase in employment now but a continual increase of employment because the economy would be stimulated, would be moving faster and would be continuing to employ more and more people.

I believe that the 115 per cent capital cost allowance is a move in the right direction and will no doubt result in additional purchases of capital equipment which would not otherwise be made. I believe there are three other moves that the government could and should make at this time to stimulate the economy. First, it should bring great pressure to bear—and I know that these people listen when pressure is applied—on the chartered banks of this country to lower their commercial lending rates so that construction and the general operations of industry can be expanded and employment increased.

Second, I believe the government should introduce tax incentives in the form of tax rebates paid on the basis of increased productivity, which would induce industry to make the necessary expenditures on new plant, equipment and production systems which are needed in order

[Mr. Danson.]

to lower costs and selling prices, thus making our products more competitive, making it possible to sell them in greater volume and thereby enabling more people to be employed.

Third, I believe the government should announce that it has decided not to cancel the 21 per cent tax on the first \$35,000 of corporate profits, which tax is particularly important to small businesses. It should announce that the 21 per cent tax will remain and will not be replaced by the regular 50 per cent rate. This kind of move, Mr. Speaker, is very much needed to restore the confidence of business in the future of the economy, and to persuade industry that it is justified in making the expansionary moves which we all know are being held back in large number at the present time.

Some hon. Members: Hear, hear!

Mr. Hees: That is making it impossible to employ the number of people we should like to see employed in our country.

I should like to speak for a few moments on the position of the Auditor General, who has been brought under attack very severely by this government during the past few weeks. Actually, there has been by the government a process of attack on the Auditor General for the past several years. These attacks have been brought to a head rather spectacularly during the past few weeks. For many years, as we know, this country has benefited greatly by having the expenditures of the federal government checked and commented upon in the yearly review to Parliament known as the Auditor General's report. Although the primary job of the Auditor General is to see that proper accounts are kept by all government departments, he is also authorized by the legislation to report on any matter that he considers should be brought to the attention of the House of Commons.

All governments, both past and present, have been embarrassed from time to time by disclosures of wasteful spending of public funds. This has made them more careful about expenditures in the future and the country has benefited as a consequence. From time to time, Mr. Speaker, when I was a minister I was shocked to learn from the Auditor General's report of stupid mistakes which departments for which I was responsible had made. Although it was extremely embarrassing at the time, the knowledge that a watchdog had a constant eye on our operations made me and those who worked for me do a better job of running the departments for which we were responsible.

Some hon. Members: Hear, hear!

Mr. Hees: All the members of the government did a better job because of the careful and constant watch which the Auditor General kept on all moneys spent by departments. But, Mr. Speaker, by the presentation of