

The Budget—Mr. Kempling

Much of our industry has difficult times ahead. I know this because I have been involved in industry for a number of years. At a time when we have undercapacity in many of our industries, partially idle plants, and machinery running at half capacity, the minister gives a 5 per cent investment tax credit which will have little effect in the short run. I agree that in the long run it may have some effect but in the short run it will have little effect.

Business was looking for a restructuring of capital cost allowance to reflect inflation, and alternate or optional ways to value inventories to reflect replacement cost. An initiative in this area would have had a dramatic effect on cash flow and would have put some measure of reality into profits. The government profits immensely from the present regulations in respect of capital cost allowance and inventory values, just as it profits from inflation.

Then to add to the already sad picture we have the budget announcement that we are to receive legislation from the Minister of Manpower and Immigration (Mr. Andras) to move the benchmark of 4 per cent in the UIC to 5.3 per cent and float that benchmark each year based on an eight-year average. That was something else. At 4 per cent the fund was to be self-sustaining when premiums from employees and employers are combined. Now that benchmark will move up and the UIC premium contributions will be increased to finance unemployment, much of which has been created by lack of firm initiatives by the government.

With the removal of the ceiling on the amount of money paid into the UIC fund from general revenue, a measure passed during the twenty-ninth parliament, the government removed the pressure to account to parliament for unemployment levels in Canada. Now to finance further unemployment insurance and unemployment the UIC premiums will go higher. Now the pressure is really off. All the minister will have to account for in the future are changes in the unemployment statistics produced each month by Statistics Canada. Each month we will hear a slick answer to those statistics, and after a few days of rumblyngs the ministers and the government will settle back and await next month's edition.

On Thursday we heard a dull speech from the Minister of Energy, Mines and Resources (Mr. Macdonald). The weak points he made about the amount of gasoline used by snowmobiles and outboard engines shows how far down the barrel the government is trying to dig to justify the ten cents excise tax on gasoline. He then went on to take another kick at the provinces about the provincial retail tax on gasoline, but did not mention the federal sales tax on gasoline and how much it has increased as oil prices advanced in previous years. The amount of gasoline consumed by outboard motors and snowmobiles is hardly worth mentioning when compared with total consumption. I am amazed that he did not mention lawnmowers, chainsaws and mopeds.

The biggest lie of all was the \$1 billion cut in federal spending. How can one increase spending estimates and at the same time cut a billion dollars? In my opinion that was a cheap underhanded con job the Minister of Finance handed us. If someone in the private sector tried to get away with that type of financial sleight of hand he would be prosecuted under the Combines Investigation Act for

[Mr. Kempling.]

misleading advertising. How can one cut from the budget and the estimates something that is not in the estimates? Aside from that untruth, why should government spending not be cut? Every time we mention cutting government spending one of the members of the government always points the finger at the opposition and says that we want to cut mothers' allowances pensions, veterans allowances or some such nonsense. We say there are many government programs that could be trimmed. I am sure every member of the House would gladly forego receiving the multi-coloured annual reports from departments and Crown corporations.

Some hon. Members: Hear, hear!

Mr. Kempling: I am sure there must be a competition between government departments and Crown corporations to see who can produce the fanciest report. I would gladly accept a plain black and white report, without photograph, in an effort to reduce the billion dollars the people of Canada pay annually for the printing of government documents and reports. What about that useless department, Information Canada? It is a sham when members opposite stand up and say that is a great thing. What about the duplication of the National Film Board and the film production facilities of numerous government departments? Why do we not place the sale of government publications with libraries in Canada so that they might have some revenue, and put some of them in the private sector and get rid of the fancy, expensive Information Canada stores?

Do we really need a billion dollars worth of private consultants? I am sure some consultants are necessary, but surely not one billion dollars worth. Consultants really represent a cop-out for the bureaucrats. They either do not know how, or do not want to make decisions, so they hire a consultant. If that consultant does not produce the type of report that is wanted they hire another man. That has to be the biggest pork barrel ever created. Where are the priorities?

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In my business life I have had to do many tough things. There is hardly a company in business today that has not had at some time to tighten the reins, to cut back or to set priorities. I wonder where is the management in various government departments. I cannot believe that it is not possible, on a national account basis, to practice some economy in government departments. As we see it from the calculations we have done, government spending will increase by 16 per cent in this fiscal year. There is not a member in this House who has not had representations from his constituents about government spending.

The Minister of Finance spent an hour and 45 minutes on Monday in an orbital dialogue about the economy. He said inflation, recession, and energy were the major problems facing the country, and then proceeded to do virtually nothing about these problems. He could have said it in about ten minutes. He could have said that the oil producers of Canada will not only fuel the nation, they will finance it as well, because that is what is happening.

He could have simply said that those of us who work will pay for those who do not work or cannot find employ-