

The Budget—Mr. MacKay

not see Premier Buchanan doing anything about commencing a petrochemical industry.

Mr. MacKay: Mr. Speaker, I do not know how a provincial premier can possibly do the kind of thing the hon. member for South West Nova is suggesting. What would she have him do? Would she have him start building a petrochemical complex when there is no source of gas and no way to transport it? Just imagine the ridicule the Premier of Nova Scotia would face.

That is not the only thing that concerns me about the attitude of the Deputy Prime Minister. Nowhere in Canada is there a greater need for housing than in Cape Breton because of the history of that part of the country. I remember when the former NDP member from that area, Father Hogan, was in the House. He was always after me, when I was minister of housing, to urge CMHC to do something. That is why I again take the opportunity to remind the House that I cannot understand the lack of concern for Nova Scotia that is being exhibited by this government, especially the lack of concern for housing for low income people.

I realize you cannot have it both ways and that there is only so much income available from which to do these socially necessary and responsible things. In this budget there is a proposed expenditure of \$66.6 billion, and if there is not enough money to do some of these things, then I firmly believe in other measures than just socking it to the west to raise this money in its entirety. If the Minister of Finance wants to restore confidence in this country and if he wants to start reducing the deficit, as we were prepared to do, and if he wants to show the international community that the Canadian dollar can become more valuable in the future by reducing our deficit, why does he not put another surtax on top of the 5 per cent surtax which he extended on the corporate side? Or why does he not raise the corporation tax rate a little? Sure, big business will not like him, but, as Samuel Gompers used to say "you back the masses against the classes." You know, Mr. Speaker, it is very easy to see from the answers given by the Minister of Energy, Mines and Resources that he has considered raising corporate taxes.

When I was thinking about this problem, I happened to see in the *Ottawa Citizen* of October 29 of this year—not really a strong supporter of the Conservative party—an article which makes a lot of sense. It reads:

There are obviously several ways in which the deficit could be reduced. One is through a major revision of social spending—

I do not go for that. I do not think it is equitable under these circumstances. The editorial goes on to read:

Another is to reduce the level of corporate welfare in this country.

That might not be a bad idea in certain cases. Corporate taxes, which are nominally at 46 per cent in this country, in the last three years have been, on the average, about 18 per cent.

I would like to see, as a matter of policy, this government able to obtain more revenue from other tax sources, but I would not like to see this money wasted as it is being wasted by the Department of Employment and Immigration. Today

the minister bragged about the \$800 million for training. I would like to see some of that money go to my friend, the Minister of DREE (Mr. De Bané), to create some real jobs and for development. The much touted \$800 conversion is a sham because in the Atlantic region electricity, which is priced out of all reasonable proportion, is not an option and we do not have any natural gas either thanks to the procrastination of the Prime Minister and his government. I believe that up in the Yukon they cannot convert to natural gas either.

Mr. Nielsen: Not unless you take the cabinet up there.

Mr. MacKay: That is about it. What should we put this money into? One of the basic responsibilities imposed on leaders, right since the time nation states were first created, was to protect the sovereignty of a nation and to keep its currency from being debased. As a start, looking at our sovereignty and the territory issues, we should put a little more money into our defence because we cannot even effectively patrol the greatest treasure house any nation in the world has, that is our north. Our militia is using equipment that is older than they are. There are more people in the Russian KGB alone than there are in our entire armed forces. The Minister of National Defence (Mr. Lamontagne) tries to do his best, but again he is the victim of lack of proper priorities and planning. Surely we can put a little more money into ensuring that we meet our NATO commitments because with the projected rate of inflation, using the figures of the Department of National Defence own model, there is no way in which we will be able to keep our promises to that organization. So, I would like to see another billion dollars or two raised by some increase in corporate taxes, supposing the Minister of Finance does it by way of a supplementary budget measure. Also I would like to see a portion of that money placed directly towards the reduction of our deficit, either the money we owe abroad or the budget on which we are overspending at home.

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I know the corporate sector and Canadians who have to pay the tax would not be particularly happy to have to pay more taxes. But if they could see that their tax moneys were going to increase the stature of their country by reducing its deficit, by improving its stature in the international community, by increasing its respectability in the eyes of its allies by letting it meet its military commitments, then I do not think there would be any complaints if the Minister of Finance sought to raise a billion or two dollars by raising the rate of corporate tax, particularly if he showed a little ingenuity about doing it.

I have a particular interest down in the constituency of the Deputy Prime Minister—I do not want to pick on him today—but it used to trouble me when I was the minister responsible for Devco and was involved with some things concerning Sysco. Those of us who have been following this know the much touted business plan, which has been used as an excuse for not proceeding with the needed aid for Sysco, has been around in the hands of the department and available to the minister and his parliamentary secretary for weeks. All this three-phase plan does in its first phase is exactly what the plan