

The Budget—Mr. Mazankowski

If we look at the economic record of this Government, we know that since November, 1981 this economy has lost a total of 408,000 jobs, that over-all unemployment increased by 750,000, and by 1987 we will still have 1.1 million people unemployed. That is not very optimistic, Mr. Speaker. That is a very sad indictment for the future of Canada. We believe that this country could do better. We believe the budget could have been better in addressing the needs of Canadians and providing jobs. It has failed miserably in stimulating the small business sector, for example, which provides some two-thirds of all new jobs created on the North American continent.

I am sorry that time does not permit me to continue to outline some of the things which I would have liked to have seen in the budget as far as small business is concerned. The fact is that this Government has failed to consider the repeal of the 12.5 per cent corporate distribution tax. It failed to deal with the capital cost allowance. If it were genuinely interested in improving the employment prospects of our citizens, it could have provided for employment tax credits. It may have even considered a tax holiday for small business, perhaps on the first \$100,000 worth of profit. There are many things which could have been done which would have helped that very important sector.

There could have been a number of new initiatives undertaken in the energy sector as well. For example, there could have been measures to stimulate once again the conventional oil sector, which is the most job productive sector in the whole energy area. That sector is hurting very badly. Out of 400 drilling rigs, only 50 to 60 are currently working. This Government has failed to turn our natural advantages into economic advantages: therefore the Canadian people are suffering; therefore we are going to continue to have massive and unwarranted unemployment.

● (1200)

Mr. Breau: Mr. Speaker, I commend the Hon. Member for the way he puts forward his position and philosophy. In fact, over the years I have found that few Members can put forward so nicely and effectively a bad case. When he talks about economic philosophy, he has omitted one important question. In a time of recession, when it comes time for Governments to react, does he take a monetarist view, or the view that the Government should react from the point of view of fiscal policy?

Mr. Mazankowski: Well, I think one has to handle the budgetary affairs of the nation not unlike one would handle one's own private affairs. To put it in layman's language, in the good years you have to put a little away for a rainy day. This particular Government has only had one balanced budget in its 15 years and that is a very sad record.

Mr. Breau: Answer the question.

Mr. Mazankowski: I am answering the question. The fact of the matter is that this Government has failed to save in the good times or contain Government expenditures in the good times so that now, when we need that stimulus to revitalize the

economy and provide jobs, we are forced to borrow much more heavily than we were in the past. It seems to me that the Keynesian philosophy is that you can spend your way out of recession assuming that you are going to exercise good fiscal and monetary practices in good times. This Government has not done that.

Mr. Fisher: Mr. Speaker, the Hon. Member repeated a distortion which people in his Party seem to enjoy. I would like to exercise my right to make a very brief comment to correct that distortion. The Hon. Member for Vancouver Centre (Miss Carney) on April 26, said, as did the Hon. Member for Vegreville (Mr. Mazankowski) today, that the Government does not trust ordinary people, that we did not create incentives for consumers because of that mistrust on our part. The Prime Minister's (Mr. Trudeau) answer to that question was most apt and I refer the Hon. Member to that answer in this House, as reported at page 24858 of *Hansard*:

I never used the words, "the consumer cannot be trusted". I enunciated the very simple economic proposition that I am sure that the Hon. Member would agree with, that when you stimulate consumer spending directly, some of that consumer spending leaks out of the country to purchase goods made in other countries. That is all I said.

I would remind the Hon. Member, when he tries to distort that statement, that the Prime Minister (Mr. Trudeau) has clarified the matter right in this House.

I also remind him that we followed the advice of the Canadian Federation of Independent Business when we followed this policy. They told us not to use a tax cut for consumers because it would be spent on foreign goods and would amount to a Canadian subsidy for foreign manufacturers. They suggested instead that we target our consumer incentives and try and help business rebuild itself. That is not the kind of statement which the Hon. Member is trying to put into our mouths.

Mr. Taylor: You tell them how to spend their own money.

Mr. Mazankowski: Mr. Speaker, I wonder if I might ask the Hon. Parliamentary Secretary to clear away a bit of a contradiction. If that was not an accurate interpretation and the Government is not so concerned about Canadians going offshore to spend their money, then why did it see fit in the budget to double the value of goods which can be brought back to Canada duty free? I am not arguing with it, but it seems to be a bit of a contradiction.

Secondly, notwithstanding what the Prime Minister says—I mean, he says many things and we are not sure when he can pass the lie detector test—I go back to the statement he made in 1977 implying that Canadians do not discipline themselves. He said if they do not, "we will discipline them". Meaning that the master Government knows what is best for Canadians.

Mr. Fisher: The Hon. Member asks me a serious question and I am happy to provide him with the answer. He asks why we increased the tourism exemption. I can tell him it is pretty much a technical matter. The last time that exemption was increased, I believe, was 1974. This keeps us in line with the