

The Budget—Mr. Riis

Last April a survey was taken by the Canadian Federation of Independent Business. All of the participating businesses were asked how many were planning to expand their plants and how many were not planning to expand operations. Last April's statistics are very interesting. Thirty per cent of those participating said they would be reducing operations; 65 per cent said they would simply try to hang on—not expand—to where they were today; and 5 per cent said they were considering expanding operations. We all know that things have worsened economically since April. I suspect we are looking at only 2 to 3 per cent of the Canadian business sector that is interested in expanding. That is the kind of percentage of business that may benefit from some of the token business support in this particular budget.

The cruelest blow of all came in the area of taxes. Canadians surely felt betrayed when they saw tax increases. These increases are a result of the deindexation to be introduced following last night's budget. This deindexation step will cost Canadians \$1.3 billion. I am sure that measure shocked people across the country. People were looking for some new direction and some new initiative. Instead they found they would be paying more in taxes and were being asked to bail out this government's mismanagement of the economy. Not only were taxes increased right across the board, but certain groups have been identified to pay a particular price and to carry an extra burden. These include our senior citizens, the "wealthy" group. They are the ones being asked to carry an extra burden. The increases they would have expected next year will be less than the rate of inflation. My mother and father are senior citizens. I know what "life of luxury" they lead. They have a difficult time getting by. Last night's news did not come in a very favourable way for them.

What about family allowances? It is interesting to consider that three out of every five working women in this country live below the poverty level, as evidenced in a recent report tabled by the government, and depend on family allowances to assist them in these difficult times. They are struggling to raise a family of one, two or three. They found out, too, that there was good news in the budget for them. They found out that they will not receive the same increases that they normally would next year. I admit the very poor will get a slight increase next year; they will gain 93 cents a week. The very poor will be able to purchase two thirds of a litre of milk extra a week thanks to this budget. That is the kind of progressive legislation which this government is prepared to introduce.

It is interesting that the average family in Canada—if there is such a thing, but I am thinking of two parents and two children with a family income of about \$30,000 a year—will lose \$125 a year because of the personal exemptions that they will cease to have. They will also lose about \$72 a year in family allowances. That is not a major amount, but just the same, during these very difficult times with inflation chasing us at around 11 per cent, having \$200 less in the average family income is not the news they were hoping to hear from the Minister of Finance last night.

What is in this budget for the manufacturing sector? One thing all Canadians know is that long-term job security in this country is not in the resource sector, it is not in the energy sector, but in the manufacturing sector. What incentive and encouragement, hope and help did that sector get in this budget? It got absolutely nothing. The most critical sector of our economy got absolutely nothing.

What did the resource sector get? What do I tell my unemployed IWA people in western Canada? What did the budget have for them? What did the budget have for that sector of the economy? It had absolutely nothing.

What about the mining sector? What about the fishing sector? What about the tourist industry? I could go on and on, Mr. Speaker. There is very little in this budget that will assist any of the critical, strategic advantages that we have in some sectors of our economy.

One of the most disappointing features was that research and development have been largely overlooked. The research and development sector is where Canada holds a key in terms of its economic development and its long-term recovery program. We have a well-educated, well-trained population who are able to take advantage of research and development programs in our labs both in the private and public sector. But was there anything in this budget to encourage research and development in Canada, other than a very token amount attached to the Small Business Development Bond program? There was absolutely nothing. This was a real disappointment for those people who are looking for breakthroughs in terms of research and development through to production in Canada.

The Canadian small business sector got welcome news. They found that FIRA is going to be opened up so that more foreign competition can come into the country. Let me remind this House that the Canadian Federation of Independent Business feels very strongly about FIRA. They know that the small business sector of this country is the one sector that virtually is 100 per cent Canadian owned and is the job creator in Canada. This is where research and development takes place. But what assistance did it get in this budget? The floodgates were opened up for FIRA so that we can have more foreign take-overs and more foreign intervention in Canada.

• (1610)

We remind the House that one of the reasons we are facing difficult economic times today is that we have lost control of our economy. The decisions on the Canadian economy are being made in the boardrooms of Tokyo and Dallas instead of Toronto, Vancouver, Halifax and Winnipeg. Thanks to the Minister of Finance, this budget will make that problem even greater.

I recently received some devastating news. A small businessman in my riding who operated a firm which was participating in research and development in the satellite technology field indicated that he had been receiving a very critical component of their operation from a manufacturing firm in Mississauga. He told me that he was grateful for the Canadian involvement in the development of a new product which could be marketed