

The Budget—Mr. Penner

down. In his speech the Minister admitted that that would happen. We are to go from 4.5 per cent in 1985, down to 3.7 per cent in 1986 and down to 3 per cent in 1987. It is difficult to deny that the economic recovery we are starting to enjoy is fragile. This is not a time to discourage consumer spending; that is a threat to economic growth. We must remember that a one-half of one per cent reduction in economic growth means the loss of 50,000 jobs. I wonder whether the Minister of Finance really believes that he can reduce the deficit by raising taxes. The so-called new economics about which we hear so much make clear that lower taxes can spur economic growth and thereby generate more, not less, Government revenue. Why do we not see that kind of economics being practised in the country? Tax cuts are one of the most effective ways of creating new jobs and reducing the rate of unemployment. The Budget will retard economic growth. It also recognizes high unemployment rates which are still around 9 per cent. I know they are getting better, but they are still unacceptably high and will stay with us for a very long time. That is discouraging for young people whose rate of unemployment is not 9 per cent but some 15 per cent or 18 per cent depending upon whether one is talking about young men or young women.

I conclude simply by saying that I am sorry, but representing a region and constituents who will be hard hit, I am unable to support the Budget. It is a pretentious, false Budget. It is unfair and will result in slower growth, not better growth. Therefore, I have to oppose it and say that it is not the right Budget for these times.

[Translation]

Mr. Harvey: Mr. Speaker, we have clearly the impression that we are hearing exactly the same speeches and getting exactly the same reaction from the Official Opposition as last year.

Following our first Budget, we heard exactly the same prophecies of gloom and doom, and got the same negative reaction; yet, one year after our first Budget, hundreds of thousands of new jobs have been created, which means that the Official Opposition has certainly not demonstrated much originality in its reaction. They keep making the same comments. My impression is that the New Democratic Party and the Liberal Party are the only two groups which still insist on talking about the Budget. For the first time in 25 years, Canadians generally realize that they can trust a Minister of Finance (Mr. Wilson) who creates the impression, based on facts, that he definitely knows where he is going.

The previous Government would have us believe that an increased deficit would create jobs. If we check the figures since 1970, we realize that there was 300,000 unemployed, and in the 1974-1985 period, the deficit increased from 0 to \$38 billion. This did not create one single job, Mr. Speaker. On the other hand, the number of unemployed increased fivefold.

Unfortunately, Mr. Speaker, the Official Opposition is very careful not to tell Canadian taxpayers where in fact our Government will find the money to create jobs and support

small businesses. It will not take it from the poor; it will find it in part in the nearly \$900 million which it will collect by eliminating tax shelters. It will get it also from a minimum tax on the affluent. Ours is the first Government which has decided to levy income tax on same people who had never paid any before. That's a fairly progressive measure.

Mr. Speaker, I suggest that the people who need help most will realize over the next few months that our Government has done something for them. I refer for instance to the \$300 per child in tax credit advance payments for families whose income is \$15,000 or less. I am sure they will realize that the Government has done something for them.

Mr. Speaker, I think also of the various programs. No other Government has ever invested so much money in them: \$4 billion over a two-year period. And this Budget has confirmed our direction by investing an additional \$800 million in job creation, and the results are positive, because the 600,000 new jobs created in this country over the first eighteen months is a record.

Personally, Mr. Speaker, I hope that the negative effects foreseen by the official Opposition will continue to be felt and that we will end up creating between 500,000 and 600,000 new jobs over the forthcoming year.

● (1650)

[English]

Mr. Hopkins: Mr. Speaker, my hon. friend, the Hon. Member for Cochrane-Superior (Mr. Penner) rightly mentioned the subject of regional development, which is extremely important in eastern and northern Ontario. People take a look at Ontario and think that every part of it is rich. We happen to be 250 miles from that golden horseshoe. Like the people in the northern part of this province, we know what it is to be in real need of a regional development program.

The Hon. Member knows that that development program was reduced by 38 per cent. Could he give us some examples of how this will affect some of the resource based industries in northern Ontario, for example?

Second, how does he feel about the Prime Minister (Mr. Mulroney), and the Minister of Finance (Mr. Wilson) and all members of the Tory Government going around the country putting the blame for the national debt on the Liberal Party? Since September, 1984 when the Tory Government took office, to the present time, the cost of servicing the national debt of Canada has increased by \$8 billion under a Government that was to be so dynamic and take everything under control.

At the same time, would the Hon. Member comment on the fact that the Government has allowed the national debt to increase by 23 per cent since it took office, 23 per cent of the entire total that it increased from Confederation to September 1984?

Here we have the Prime Minister, the Minister of Finance and all members of the Government running around Canada