

*The Budget—Mr. Smith*

address last night. There are six points there relating to the November budget. The 12.5 per cent corporate distribution tax applicable to small business will be postponed for one year, to January 1, 1983. Why are we doing that? It is because we believe in small business and we want to help it. That is a reasonable and responsible way to do it. That is not sugar-coated government. That is responsible government.

The proposals related to the deduction of interest expense will be reviewed and their effective date will not be before 1983. Why? It is because we want to encourage investment and confidence in this country. The proposed automobile standby charge has been reduced from 2.5 per cent to 2 per cent. The rules on the restriction of interest expense will not apply to commitments relating to employee share purchase loans undertaken prior to November 12, 1981. We also have the provisions concerning forward averaging and corporate reorganizations. That is responsiveness. That is flexibility. That is responsible government, I would suggest.

There are also the aspects relating to foreign investment, relaxing the process in less than major acquisitions so as to encourage investment in this country. In addition to an all-out attack on inflation and an attempt to put investor confidence into this country, we are also taking a reasonable approach to create jobs and sustain growth in employment.

I turn to page eight of the budget speech. I would encourage hon. members opposite to do that. I am sure they have not yet read it. If one considers it long enough, some of the good things in it may sink in. There is a \$200 million allocation to direct employment programs. Why are we doing that? It is because we want to stimulate growth in this country. But we are doing it in a reasonable amount. I am sure it will not be enough to satisfy the red Tories opposite, but of course the blue Tories think that we are spending too much money. It is too bad that they cannot get their act together and decide which side of the fence they are on. At least I know what side of the fence the NDP members are on. I do not agree with that side of the fence, but I know what side of the fence they are on.

**Mr. Deans:** Leave us alone.

**Mr. Smith:** I certainly cannot say that about the hon. members opposite.

● (2110)

Also, there is \$150 million for increased spending on localized, employment-intensive projects under existing government construction and other programs. Together with more than \$100 million available from existing employment and immigration allocations, this will provide more than \$450 million for direct job creation. Combined with the \$300 million for economic development programs that create permanent private sector jobs through levered investment incentives, there is a \$750 million program. I suggest that is a very serious, responsible manageable commitment to stimulate jobs in this country.

Then we have the program which the minister responsible for housing talks about. I do not think I have to repeat what I said. What we have in this budget is a responsible approach, not a candy approach, but a candid honest analysis of what the immediate problems are and a responsible way in which to deal with them.

With regard to the Tories, we knew they did not like it even before they saw it. Perhaps that is a natural outcome of the parliamentary process which is by nature adversarial. However, I would find it easy to deal with the Tories if I knew whether they were taking the approach which we heard from the hon. member for York-Peel or the approach we heard from the hon. member for Yellowhead (Mr. Clark), or the hon. member for Rosedale (Mr. Crombie) and the hon. member for Kingston and The Islands (Miss MacDonald). One really does not know. You need a score card to tell whether they are wearing blue shirts or red shirts.

In conclusion, this is a responsible budget. It is an honest budget. It tells it like it is. What does it do? It points to a tunnel. However, there is a light at the end of the tunnel. If we stick to it and lick inflation, we will also lick the problems of unemployment, interest rates and the deficit. However, we will not do all those things unless we are serious, single-minded, supportive and try to make it work. That is why I believe we have a responsible minister bringing in a responsible and honest budget. I am happy to stand up in this House and speak in support of him and the budget he presented last night.

**Hon. Jake Epp (Provencher):** Mr. Speaker, in speaking to the budget that was presented by the Minister of Finance (Mr. MacEachen) last night, a number of thoughts come to mind. One has to decide which one best reflects one's own inner attitude regarding the economy and the performance of the minister.

What is more important is, what are Canadians feeling like today? Do they have hope? Do they see the economy growing? Do they see the possibility of attaining the goals they set for themselves as individuals, heads of families, business people, farmers, ordinary tax-paying Canadians? Do they feel that the country and the government is more responsive to their needs than prior to the budget last night before it was announced?

I must say that I am a sad Member of Parliament in this House tonight. I am sad because I believe that this country is the best country in the world but it is not getting the government it so rightly deserves.

In 1981, Goldwin Smith, an observer of Canadian life, after having taken a look at our society at that time, some 90 years ago, said that if he had to put a salutation over Canada's door, it would be this epitaph: "Canada is a country that is resource-rich, policy-poor."

Possibly at no other stage has that attitude been more prevalent among Canadians. They believe this country is resource-rich, be they natural resources or human resources. At no other time have they felt that policies to meet and reach that potential have fallen so short of the potential that could be Canada's.