

In the budget of last November, we deliberately added stimulus to the economy. That stimulus is still having its effect and we shall allow it to achieve its full effect. But we have decided not to increase that stimulus because we do not wish to feed the domestic inflationary push that has emerged in Canada in recent months. Our tax revenues will be lower and social insurance payments will be higher than we forecast last November. But we shall not counteract these developments since they are cushioning the effects of the recession at home and abroad on Canadian employment and output.

[*English*]

While adopting this fiscal stance we nevertheless have proposed specific actions to deal with special problems in the economy. Taken together with some of the other measures I have announced, these actions will not add to our net cash requirements. We have provided for direct job creation in areas and among groups that will be hard hit by unemployment. We have proposed action to stimulate further the building of homes for Canadians and creation of jobs in the home-construction industry. We have announced measures to encourage investment in plant and equipment to create jobs and improve productivity. We have proposed a series of measures relating to oil and natural gas designed to conserve these vital fuels and bring forth new supplies for the future.

Given these policies, how will we fare in the period ahead? I have tried to make it clear tonight that prospects for a strong and sustained expansion of output and employment depend critically on moderation in the demands of all groups in the economy. Our production and employment should pick up during the balance of this year as demand revives in foreign countries and as our own underlying expansionary policy achieves its full effect. But as I have often said, whether Canadian producers hold their share of expanding foreign markets, or even hold their share of our own domestic market, depends upon whether they stay competitive.

The government has sought to demonstrate tonight its own resolve to moderate its demands. If this lead is followed—by other governments, by business, by labour and by the professions—then we can turn back inflation. Only in this way will we ensure that we Canadians continue to enjoy a rising standard of living.

Some hon. Members: Hear, hear!

● (2140)

Mr. Sinclair Stevens (York-Simcoe): Mr. Speaker, until tonight I thought my leader was the only member of this House connected in some way with long Johns. But tonight we have witnessed something much longer than a long John. Already known as the empty tank budget, this performance tonight will likely go down in history as the '75 standstill budget.

When the minister stalled for 77 days before bringing in this budget it was natural to wonder why there had been such a stall and why he should choose Monday, June 23, of all days, to be budget night. We know the minister has a sense of the dramatic, being the play actor he is. Like a student performer he likes to put his acting into historical

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perspective. Now that we have heard and read the budget, the answers to both our questions are quite clear. The minister stalled for 77 days, only three days less than it took Phineas Fogg to go round the world, according to Jules Verne. He stalled because apparently he had nothing to say. Not only did he stall because he had nothing to say but, like Mr. Fogg, he has ended up where he began. But why did he choose Monday, June 23? Of course that happens to be the anniversary of the beginning of the reign of terror in France in 1793.

While the Minister of Finance (Mr. Turner) may have intended tonight to be the beginning of a Turner reign of terror against labour, against business, against unsuspecting taxpayers, against spending generally—but of course not against federal spending—it is our belief, now that we have had a chance to review the budget, that it is simply another budget by the same old minister saying many of the same old things he has been saying during his entire reign of error.

Some hon. Members: Hear, hear!

Mr. Stevens: If I may paraphrase what the Prime Minister was saying over two years ago: Inflation remains the issue—leadership remains the problem. I am really puzzled why the minister went through two and a half months of charade only to give us this. Why did he bother?

Before we take the minister's words tonight too seriously, perhaps we should review some of the earlier statements he made during his reign of error. Hon. members will recall that on a similar budgetary evening in May last year he stated, and I quote, "We are on the right course now. We do not require additional stimulus. Neither do we need any severe contraction of demand." He emphasized, and again I use his words, "the outlook for the Canadian economy is bright", and he added, "We are thriving as seldom before in our history". He even forecast there would be a real growth in the economy of 5 per cent in 1974, and in answer to a question in the House that day he said the real growth in the first quarter of 1974 was rising at an annual rate of about 9 per cent.

Oh, what a difference 13 months has made. Oh, what a difference now the election is over. Oh, what a difference now that the facts are before us. Instead of a 5 per cent real growth in 1974, we are told now, it was 2.8 per cent, and that in the past 12 months our performance was an amazing negative 2 per cent. For the first time in his tenure of office as Minister of Finance, and indeed for the first time anyone can remember for any minister of finance, the hon. gentleman offers no prediction for 1975 in relation to any of the basic economic numbers. There is no growth forecast any longer, he mis-shot so badly in his previous four budgets. He has never given us a forecast of unemployment, and again tonight he has not given us one. He does not give us a forecast of inflation or even a forecast of housing starts. To paraphrase another old blue eyes, Frank Sinatra, the minister seems to be saying "Come, fly blind with me".

I ask him whether the near 200,000 extra Canadians who are now out of work compared to May last year would say, as he has said, "We are thriving as seldom before in our history", or whether they could take him seriously when he states once again, as he did tonight, that his first priori-