

The Budget—Mr. Darling

performance. But now he is in the big league as Minister of Finance and, as has been said time and time again, if he coughs or sneezes in the wrong way, it can cost us a lot of money. He holds a very important position. I see that his chair is vacant at present, but I am glad to see that his parliamentary secretary is coming into the House now. I ask him: if his minister is such a great guy, why are we in such a heck of a financial mess?

It appears that the minister is not so fast on the skateboard as he would like to be because, in spite of his budget statement a week ago on Monday, he is pursued by inflation and unemployment. The latest increases, which followed closely on the heels of the minister's latest attempt to restore a measure of confidence in this country, are a source of great concern and worry to everyone across this country. The continued decline in the dollar is cause for alarm. All Canadians should be reminded of the fact that even when the government tries to zero in and put all its resources behind one problem, the results are far from encouraging.

The latest inflation statistics will surely drive home the fact that Canadians all across the country will have to face a lower standard of living. With wage increases limited to 6 per cent, prices will continue to rise rather than wages.

I was pleased to see the reduction in the sales taxes and I hope this will provide a spur to consumer spending which the economy needs. However, I am disappointed that the reduction is only a temporary one. Six months are not a long enough time to provide a strong and lasting stimulus to the economy. Moreover, the reduction will end at one of the most economically difficult times of the year when unemployment is reaching a crest and the approaching winter will force the cost of living upwards, as happens pretty well every year.

The reduction in the sales tax and the new options available under the registered retirement savings plan will not help the lower income groups in any significant way as these people are not likely to be able to afford to rush out and buy high price items which will be most affected by the tax reduction. It is also true that the benefit of the sales tax reduction will be swept away quickly by the continuing high inflation in most provinces. When the sales tax cuts end in either six or nine months, prices will jump up again. The truth is that the effect of sales tax cuts on inflation will be temporary. Even with the cuts, inflation will still average at least 7 per cent in 1978.

Rising inflation has forced all of us to re-evaluate the worth of the dollar in relation to consumer goods, but the continued decline has made us take an even more serious look at the value of the Canadian dollar. In 1971 terms, our dollar is now worth only 59 cents.

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In 1968 when the present Prime Minister assumed the reins of government, our dollar bought twice as much as it buys on our present market. Perhaps I should not say "government", considering the disgraceful record of departed ministers. In the past ten years the purchasing power of our dollar has declined while the government has allowed unemployment and inflation

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to rise almost unchecked. On the same topic of the dollar, I find it particularly distressing that investor confidence in Canada is so low. Why is that so? The present government has created an economic climate that investors are wary of and that even Canadians worry about. We have all seen the increasing number of newspaper and magazine reports about the growing numbers of Canadians who have taken their money and flown south or at least across the border where they feel it is safer. The political and economic climate of Canada is not conducive to investor confidence right now. That must be changed, and it must be changed quickly before it gets worse. The government must adopt an economic strategy for Canada, instead of the series of half measures and patch-up jobs which have been handed to us. At the very least, Canadians deserve that.

The estimates of the amount of money going to the United States are astronomical. When I was out west with the housing committee two or three years ago, because of red tape and the many other obstacles, real estate men and companies were saying that as much as \$1.4 billion had been committed to building apartments, housing, etc. in the United States. I have mentioned before that investors could go across to the United States, and with a minimum amount of red tape they could start a subdivision or an apartment building in a matter of months, whereas in this country holdups because of planning and other things can last as long as six or seven years. I am not even considering other investments, such as in the state of Florida which has been so attractive to Canadians. We have heard the suggestion that Canadian Francophones have decided that Florida is a much better climate for their money, and millions of dollars have been poured into that state, much to the detriment of the Canadian economy.

It is not surprising that the budget failed to predict the unemployment rate for the rest of the year. It did not dare to, in light of the most recent statistics: 38,000 more unemployed in the month of March alone, making a grand total of 1,045,000. The seasonally adjusted rate of unemployed rose to 8.6 per cent, up from 8.3 per cent. I am certainly skeptical, as I am sure many other people are, about the actual number of jobs which will result from the proposals set forth in the budget of the Minister of Finance. It is regrettable indeed that the budget did virtually nothing to zero in on what is certainly the most serious problem facing this country today. It is singularly disappointing that the government saw fit to formulate proposals to aid the economy without raising any levers to alleviate the very unacceptable level of unemployment we are now faced with. The government has acted irresponsibly in choosing not to deal directly with this problem.

To pass off crisis unemployment levels as partly due to the increased numbers of women and young people on the labour market is merely an attempt to avoid the root of such a serious problem. The government knows full well that the reason there are more women working now than ever before is that they have to supplement the incomes of their husbands in an effort to keep pace with the spiralling cost of living. The problem of youth unemployment is especially crucial, yet these people who