

The Budget—Mr. Crosbie

million, for example, to Alberta. That is called equity by the Government; \$1.2 billion in Quebec and \$30 million in Alberta. I do not know if it will spend anything in Newfoundland.

That is what has happened to the great program to overcome regional disparity. Do Members recall the Prime Minister in 1968 when he was on the diving boards of the country? His great theme was that he was going to overcome regional disparity. This is what has happened to his attempt to overcome regional disparity.

The present Minister of Finance said on September 15: "The top economic priority is the creation of jobs to ease our serious unemployment". Where does that appear in this Budget? What happened to that priority of September 15? On January 23, when he spoke to the Canadian Club in Toronto—memories are so short—he said:

Budgetary policies in 1984 must also respect the need for stability in the economic and fiscal environment. That means holding firm to the fiscal policy track—

He has his fiscal policy track suit on.

—on which the deficit will be restrained and then reduced as the recovery strengthens.

That is what he said to the Canadian Club on January 23 of this year. What has happened to that proposal? What is the point of the Minister making speeches if he will not carry out what he says in those speeches?

The Government said in the 1983 Throne Speech:

A comprehensive program will be presented to encourage economic growth so that more Canadians can own a home, learn a trade, expand a business, participate in the ownership of our resources, and gain a fair share of the abundant benefits this country can provide.

Where is the comprehensive program? This is the Government's Budget for 1984 and there is no such program. I mentioned yesterday that the Minister of Finance's dominant concern last April was to help 1.5 million Canadians who want to work but cannot find jobs. He has done nothing for them. In the Budget of last April the Minister said:

I expect strong growth to continue through 1984 at an average rate of 5.2 per cent. It will also become more broadly based as investment gathers strength.

Neither of those expectations has been fulfilled. The recovery is not broadly based.

I mentioned what Statistics Canada has reported. It said:

The narrowing of sources of growth in domestic demand is also reflected in the regional distribution of economic activity... In fact, Central Canada has accounted for all of the increase in employment since June as net declines have since been registered in Western Canada, notably Alberta and British Columbia.

Where is the broad-based growth that the Minister said would occur just 10 months ago? How does the Budget address the fact that the broad-based recovery promised in April has not occurred? Where can we point to in the Budget to show how the broad-based recovery is going to be achieved?

The special recovery tax imposed last April will cost Canadians \$805 million this financial year. It will cost \$2.4 billion in 1985-86 and \$2.975 billion in 1986-87. The Minister calls it the special recovery tax. He should rename it the special recession tax. There is no recovery. This tax is not

going to help it, this special recession tax. Again, Statistics Canada said on January 31:

The economic recovery appeared to lose some of its vitality in the fourth quarter, and it is likely that this slow-down will continue early in 1984. The moderation of growth has been most evident in domestic demand.

Where does the Minister help domestic demand in this Budget? He does not help it at all because he increases taxes and takes four times the revenue he has given back in the various matters he mentioned yesterday. He might help demand if he did away with the Canadian ownership tax. He would help consumer demand if he did away with the 1 per cent increase in the federal sales tax that is coming in October. It is a regressive tax that bears more heavily on lower income people.

The Minister brings in pension changes that favour the wealthy, increasing the RRSP limit as he has. Where in this Budget does he help to increase domestic demand? If anyone on the other side can point to where he does that, then we will pleased to listen.

The increase in sales tax in October will cost Canadians \$365 million. That is for this financial year. Of course, it will be a much greater amount next year when it has been in effect for a full year.

• (1150)

What is the main problem or obstacle to continued economic recovery? We can look to the Conference Board or other economic specialists. I would like to quote the Conference Board where it said: "Interest rates, given the rate of inflation, remain high and thus are unable to provide the usual stimulus to economic activity as would be the case in normal cyclical recoveries". What has this Budget done to address that question? Nothing. The Budget papers indicate in two places that the Government expects interest rates to decline, but the Government refuses to tell us what interest rate projections they are using in calculating debt repayment costs for the next five years.

The current Bank of Canada rate is 10 per cent. It is higher than it was last April. Is that a sign that interest rates will go down? The prime rate of the Bank is 11 per cent. Inflation has dropped significantly during that period, but it has not affected interest rates. Why not? It is because no one with money to invest trusts this Government. They know the Government is incapable of operating the economic affairs of the country. They know that if this Government continues in power, we will have renewed inflation and economic disaster. That is why they will not lower their interest rates now. As I said last night, the Budget has done nothing to bring about lower interest rates, to increase consumer demand or business investment, which are the three essentials if we are to have a real economic recovery.

It is a sorry story. By the way, when Liberal Members have a chance to speak in this debate, I hope they will not be tiresome and keep referring to some alleged article in *The Globe and Mail* of Toronto by "yours truly", unless they are going to look at it more accurately. I was honest enough to say