

The Budget—Mr. Blenkarn

finance massive Government deficits, without creating a horrible crowding out in the marketplace.

I do not think that crowding out will take place this year. The business sector is so down and so depressed that the Government probably can borrow the money to carry it this year. But if there is the kind of growth which the Government anticipates, the kind of revival in employment which the Government thinks it would like to see, I say to you, sir, that you cannot have these kinds of deficits and expect that to take place without forcing interest rates to the moon again and squeezing out any possibility of new employment.

The budget projections, the budget statements, the budget provisions, are provisions that make very little sense on close examination. They are provisions made by a Minister of Finance for a Government desperate to hang on to power. They are provisions made by a Minister of Finance who is a buffoon, a Minister of Finance who cares little about what he says. His projections are invariably wrong, in many cases incompetently wrong. But more than that the Minister is an actor. He likes to be before the television cameras flipping pages. He is a show off. He likes to talk about his mistakes, somehow doing something for Canadians by increasing the debt of the country by \$200 million.

I see that my time is moving along so I will get to some of the things that we would have done. First, we commend the Government for taking a look at the investment plan that will somehow, as suggested by the Lortie Commission, eliminate or index capital gains on listed stocks. The problem with the plan, however, is that it does not really get at what we need to get at. All Members will know that the vast majority of job creation takes place in the private sector by small business, closely held family businesses and that type of thing. The Lortie Commission provisions are great for the stock brokers, great for the guys with the big companies, but that is not where job creation and employment exists. Those provisions for eliminating or indexing capital gains with respect to investment in business ought to extend to small business, to those who will create the real jobs in the 1980s.

I say to the Government that this is a first step, but it has to be a bigger step than what the Government is prepared to take. We have to go all the way. We have to eliminate, or at least index, capital gains on business investment so that we can get small business, medium business and businesses that are not listed on the stock exchanges—most business are not—back building, getting capital and getting people working again.

Second, had we had the opportunity to present a budget, we would have presented a budget which would have directed tax credits not to losses that took place some time ago or may take place in the future, but to employment tax credits. We would have paid people a tax credit on the basis of hiring more people this year than they hired last year. The real problem is getting people back to work again. We would have directed what little money is available there—and we do not think there is enough—toward getting people back to work again.

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Third, we would have expected the Minister of Finance, knowing the horrendous complications under the Income Tax Act, the Customs Tariff Act and the rest, to say that he would immediately start work on a method of simplifying them. If the insurance industry can simplify its insurance policies, surely to goodness the Government of Canada can simplify its taxation statutes. It is not a difficult problem but it would save all sorts of overhead in Canada. People ought to be able to figure out easily what are their taxes themselves. The present tax Acts are so complicated that another industry in the country has been created, that is, the tax avoidance and tax consulting industry, which is not very productive. I am sure the Hon. Member for Ottawa Centre agrees with me on that.

Fourth, with respect to charities, we would not have been the type of Government that this Government is. It takes away the \$100 charitable deduction without receipts, but it does not do anything for the voluntary sector which creates employment. Later in this debate my colleagues will be speaking about that. We would have accepted the recommendation of charitable organizations across Canada of a 50/50 tax plan which would have given tax credits for charitable donations. While it would have eliminated the automatic deduction, it would have given charities the proper kind of financing they deserve. The voluntary sector creates enormous numbers of jobs. To penalize that sector as this budget really does is totally improper.

Fifth, we would have done something with respect to the absolutely stupid measures contained in Bill C-139. Those measures did great damage to Canada. I am speaking of the way insurance and annuity investments and savings were attacked, the concept of taxing income on an accrual basis rather than on a received basis. The present capital cost allowance measure allows only half capital costs in the first year. We think that is anti-productive. We are pleased that the Government accepted our suggestion of a productivity council. If it really wanted to do something, it would ensure that those who invest take advantage of tax credits and have capital cost allowances which make it possible to pay for the investments.

Sixth, we would have done something with respect to the national energy policy. We are not at all impressed with falling oil prices at the continuance of payments of PIP grants. We think the Government could have eliminated those types of grants and at the same time eliminated the taxes used to support them so that the industry would have its own money to do its own development without the interference of the bureaucracy at Dow's Lake. Let us free that industry. Let us take off the ties and the restrictions. Let us remove the bureaucrats and take away the forms. Let us get at it and make the oil and gas industry produce again. My colleagues will also speak on that later in the debate.

Seventh, there are a number of things I could say, but most important is that the Government's expenditure plan shows no element of restraint at all. It is spend more, spend more and spend more. I point out that this is the first time in Canadian history that we have finally broken the \$100 billion mark.