that there has been no denial of this from across the floor. Since May 22 until a few days ago when we raised it in the House, the only communication this government had with the Mexican government was to send them a signal about the oil agreement, telling them to scratch out the word "Petro-Canada". There had been no formal contact with the President of Mexico to renew the invitation to him to come to Canada until a few days ago when we raised the matter in the House.

Mexico is a special trading partner of Canada. If that is not enough, on November 26 in Guanajuato, Mexico, a bilateral trade meeting between the Canadian Association for Latin American Trade and high level ministers of the Mexican government discussed trade between our two countries. The Mexicans considered this to be extremely significant. In spite of the insistence of the Canadian ambassador to Mexico and the Mexican ambassador to Canada, however, that we send one of our timid trio of trade to Mexico to help the Canadian delegation and to meet with the President of Mexico and his senior officials, those ministers said they were too busy to go. Instead, we sent the director general of the Department of Industry, Trade and Commerce. The Mexicans were insulted and offended.

This is just one of a series of inept performances by this government which is beginning to cool relations at a time when we are involved in negotiating a $6 billion exchange of trade, to say nothing of getting relief from our dependency on Middle East oil. The Mexicans like and respect us and are willing to deal with us.

Time will not permit me to go over the sad saga of similar gaffes and examples of ineptitude and indifference by this government in the area of international trade which is so important to us.

One of these days I shall put on record the performance of the Minister of State for International Trade with regard to international trade with Argentina. I know the problems with that contract, and because there was a loss it is doubly important that we capitalize on that very expensive lesson about the development of our nuclear technology. Before May, AECL had the inside track in Argentina but this government procrastinated. There was some disagreement between the Secretary of State for External Affairs and the Prime Minister and others about nuclear sales.

As a consequence, they did not make up their minds until they met in Jasper in August, although meetings in Argentina had been arranged and there was a deadline for the contract. I am told that the minister waited—I will accept any correction and I should like to hear about this from him some time—for ten days before he went to Mexico. They had expected two ministers, a senior minister and an inner cabinet minister, and I am told that the junior minister who arrived instead had a great deal of trouble getting an appointment with the janitors.

Mr. Wilson: That is not so.

Mr. Andras: Let us get it on the record, then. I have put down a request for the production of documents on the Mexi-

can fiasco so I shall do the same thing with regard to the Argentinian contract.

The reputation this government is getting in the Middle East, Argentina, Venezuela, Mexico and, I am told, Japan, is shocking. Many Canadians would expect that the Conservatives might be able to do a job in this field.

I see my time is nearly up, Mr. Speaker, but I must say I have not seen anything in this budget that is on the right track. The government has a fetish about the reduction of the deficit, and, frankly, it has a commitment to objectives which I share. But, of course, I do not agree with their methods. They said they would accomplish everything by restraint but they have not. I think we are faced with the highest single increase in taxes since World War II. The taxes are regressive and oppressive and set Canadian against Canadian. I do not see how some hon. members opposite can live with their conscience and with this kind of budget. They should not try to tell sophisticated Canadians that they are balancing that budget and reducing cash requirements through tight expenditure control. They have accepted an increase in expenditures of $30 billion in five years, a 60 per cent increase. They are accepting a 10 per cent annual rate of increase in expenditures. They are playing games with their story about the budget reduction because actually their budgetary deficit comes down very little. After all these bitter pills they are asking us to swallow, this is the result.

It is sadly amusing, Mr. Speaker. The Minister of Finance has at least one thing going for him—he has a delightful wit but it is wearing thin, Mr. Speaker. After Tuesday night no one is laughing at that joker any more. In his speech he boasted that his great grandfather had presented a budget in Newfoundland 51 years ago. That takes us back to 1928, Mr. Speaker. Shortly after that, Canada had its most dismal experience of a Conservative regime through the thirties. I am also told that five years after the budget was presented, Newfoundland went bankrupt.

Mr. Speaker, this government has to straighten up and fly right very soon. There was tolerance in the country to let the new boys learn their job but the evidence we had the other night shows that tolerance to be fast disappearing. A great deal of damage can be done, Mr. Speaker, and I do not think this House of Commons has much choice about what should be done with this budget.

Hon. Ron Atkey (Minister of Employment and Immigration): Mr. Speaker, I am participating in this crucial debate today in my capacity as the minister responsible for employment policy in the present government. And I preface my remarks by saying frankly to this House that I am very much aware of the awesome problems that face the government in this field. They are awesome problems that have been left largely in neglect by our predecessors and they are crying out for direct and proper attention.

Today in Canada we have a double problem involving a paradox. We have an unacceptably high level of unemployment in general—no one disputes that—but at the same time