

The Budget—Mr. Riis

be the key to recovery of the confidence that is missing and which is needed to encourage Canadians, whether individual investors or companies, to expand and embark on job-creating activities. The government's tinkering with the National Energy Program and the Foreign Investment Review Agency in the past few weeks is not enough. The two ministers concerned should be changed. Both have become associated with one of the key things that is wrong with the government, and that is excessive nationalism and excessive government intervention. Both should resign or be changed by the Prime Minister.

Some hon. Members: Hear, hear!

Mr. Wilson: The Conservative Party would also replace those direct grant programs with tax reductions, whether they be general tax reductions or some targeted incentives similar to those things that were removed by the budget of last November. This would encourage productive investment in research and development, training and export industries. The tax reduction way is less arbitrary. It does not require bureaucratic decision or a lot of red tape. It only requires an individual to decide whether he wants to take advantage of a particular program. He does not have to come to Ottawa, cap in hand, to ask the minister or one of his officials whether he can participate in a particular program. Last night we were told that one of the drawbacks of the program proposed for small businesses that was announced by the Minister of Finance is that small business does not have the time to take advantage of it. People are too busy to waste time fighting through the red tape in Ottawa.

We must also remember that if incentives for research and development, export promotion and job training can be put in place, the return to the government and to the people of Canada will be immense. Product development will improve and so will our competitive position, thus reducing inflation and equipping Canadians with the means of taking advantage of their opportunities and putting them in a frame of mind to grasp these opportunities aggressively and run with them.

The time is right for a major shift in the direction of government policy. We need to move toward less regulation and less government control. That translates into lower taxes. We must move toward more restraint and better management of government operations. We must also move toward less direct government grants and subsidies. These should be replaced with tax incentives that would generate productive job-creating investment.

I am convinced that this combination would lead to a stronger economy, more government revenues, less unemployment and lower interest rates. The time is right for this. Canadians have had too many examples of the government's failures and have lost all confidence in this minister and the government. They are tired of the government's trickiness, its approach to budget making and other policies. They can see a new direction in the Progressive Conservative Party of Canada, a move away from the Liberal-NDP coalition that has been in place for the last two and a half years.

Some hon. Members: Oh, oh!

Mr. Wilson: That direction relies on the energy, the initiative and the motivation of individual Canadians. It has less trust in the benevolence and paternalism of the state. That is the direction in which we should be moving.

It is for that reason that I move, seconded by the Right Hon. Leader of the Opposition (Mr. Clark):

That all the words after the word "That" be struck out and the following substituted therefor:

"because of widespread lack of confidence in the management of Canada's economy, aggravated by an incredible budgetary deficit of \$19.6 billion and a totally unrealistic and intolerable increase in government spending of 20 per cent at a time when the government itself is calling for restraint at 6 per cent, all of which results in a squeeze on pensioners, mothers and the unemployed and perpetuates high inflation and high interest rates, this House is of the opinion that the only effective method of restoring confidence in the economy and giving Canadians hope for the future is the immediate resignation of the government."

Some hon. Members: Hear, hear!

• (1550)

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, as we begin this budget debate today we can hear, if we are quiet, a ghost in these halls. The ghost of R. B. Bennett has returned. Fifty years ago he had a solution to the difficult economic times in this country. His solution was to increase taxes, and we know what happened.

I suspect that if this continues we will have in a few years the MacEachen buggy for transportation. I also want to remind the members opposite that any revolt in history found its roots in the people's concern about taxes and tax increases. The minister's first budget missed the mark, Mr. Speaker; the second time he was up he swung and missed; the third time the minister has struck out.

Yesterday, Mr. Speaker, the dollar closed at 77.70. This morning it dropped below 77 cents, and at one o'clock was worth 77.13 cents U.S. In other words, the money market's reflection of last night's budget indicated that investor confidence in this country has deteriorated.

As of two o'clock today the Toronto Stock Exchange composite index had gone down 40.78 points, a decline of nearly 3 per cent. The largest loss was in real estate and various construction issues which declined 219 points, or nearly 7 per cent. Oil and gas losses were second and the utilities were third. In other words, the economic barometers which quickly reflect the views of investors indicate that they have seen nothing to give them any encouragement.

This was a budget of betrayal. I do not expect that there has ever been as many Canadians in their homes and offices focus on their radios and televisions as there were last night, awaiting the good news, awaiting some indication of hope and new direction. But, Mr. Speaker, the people of this country were betrayed by this government. Instead of new policies and new directions, they received tax increases. Senior citizens are going to be asked to receive less benefits than they would normally receive next year. Single parent families are going to