

*The Budget—Mr. Harding*

financial commitments to do the job of effectively reducing unemployment.

There is no reason why the old age pension could not have been increased to a much higher figure. This would not only have further alleviated the plight of many of our senior citizens but would also have stimulated economic growth. As I indicated earlier, revenues currently available to the Canadian government warranted further increases. We should have had higher income tax reductions but, most important, the budget should have clearly laid out those programs which must be initiated to lay the base for permanent jobs throughout Canada rather than the use of the stop-gap programs which we have been faced with over the past two or three years.

Mr. Speaker, most economists will agree that unemployment is probably the major problem facing Canada today. Over the past four years, we have seen the objectives of this government and of many economists outside the government change in so far as the maximum rate of unemployment is concerned. Four years ago, 3 per cent was the maximum goal for unemployment in this nation, and then we find it going up to 4 per cent. Now, some of our financial leaders are talking in terms of a 5 per cent float of permanent unemployment in this nation. The fact must be coming clear to Canadians that neither this government nor the Conservatives who wish to follow have the economic policies to provide the people of Canada with full employment. The only time since the war that the unemployment situation was worse than today was during the last Conservative government in the early sixties. Most of the trouble stems from the economic policies which both these old line parties have been espousing for years. Their policies have made Canada a supplier of raw materials to practically every country in the world and these policies have basically neglected the job-intensive secondary industries which we require to help meet the unemployment crisis currently facing us. This is one of the main reasons we have increasing unemployment in an apparent period of prosperity.

This budget should have produced measures to ensure that immediate steps were being taken to lay the base for increased secondary processing in our nation. We should be taking steps now to regain control of many of our resource industries which currently belong to foreign dominated corporations, whose only object in obtaining them is to obtain a cheap source of raw material for the parent plant which is outside Canada. These are some of the basic measures that Canadians would like to see this government carry out. These are some of the basic measures which our party intends to press for over the coming months.

Mr. Speaker, the Minister of Finance has indicated that if necessary he will bring in two or three budgets per year to help meet the problems facing Canada and Canadians. I suggest to him, and to this government, that as soon as the budget debate is over, he start planning for the next one within a few months time. There are a number of emergencies in Canada at this time and this parliament should be prepared to meet them. By all means, let us pass this budget and pass the legislation based on the proposals contained in it, and then let us move forward into newer fields and give all Canadians, including those

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who are just starting out in the labour force of Canada, some real hope for the future.

**Some hon. Members:** Hear, hear!

**Hon. Otto E. Lang (Minister of Justice):** Mr. Speaker, a few moments ago we heard the hon. member for Prince Edward-Hastings (Mr. Hees) refer to this budget as a pre-election budget. He did that, while at the same time saying that a number of things were wrong with it so I cannot quite understand the logic of the hon. member in putting those two thoughts together. Lest there be any doubt about the matter, we should all take it as a fair and firm prediction that it is anything but a pre-election budget now that the hon. member for Prince Edward-Hastings has referred to it in that fashion. I suggest that it will require about six such references before eventually, by effluxion of time, he is right about something being an election matter. Indeed, the hon. member for Kootenay West (Mr. Harding) has spoken about the responsibility and the opportunity to make parliament work. It seems to me that there should be a good, long time between now and the next election, so long as parliament assumes all its responsibilities and faces all the challenges which now face it to do work and produce good legislation for this country. I think it will be up to members in this House to make sure that the country understands from where any obstruction is coming, from where the delay is coming and who are those who do not want to see parliament work but, through their attitudes and actions, wish to delay good legislation brought forward by this government for the benefit of this country.

• (1600)

I was interested in observing in this debate a number of interesting differences of view expressed by members of the official opposition about what should have been done or should not have been done in connection with the economy. The hon. member for Don Valley (Mr. Gillies) has spoken of the importance of considering threats that this country faces from things over which it has no control. He was talking about matters of international concern and about the policies of other countries. Neither he nor his colleagues have so far repeated what formerly had been the position of his party, namely, that the reduction in taxation for manufacturing businesses and accelerated depreciation allowances were necessary protection measures for particularly vulnerable areas in secondary manufacturing. This area is particularly vulnerable because of the smallness of our national market and it is important, therefore, for us to meet international competition both at home and abroad. That was that party's position.

Indeed, rather than come out flatly and say that their position is still that of supporting assistance to industries in these vulnerable areas, some hon. members, particularly the hon. member for Prince Edward-Hastings (Mr. Hees) have come forward with a new idea. It is not unusual for each Conservative spokesman on finance to introduce a new major plank as he goes along. Only some of those members are allowed to say that they are speaking on behalf of the party when they do that.