

The Budget—Ms. McDonald

is to have an expanding economy, to control new spending carefully, and perhaps to redirect some old spending into some new areas of greater need.

One corporate citizen said recently, "Governments at all levels need to reassess their priorities and programs to determine those that are both necessary and affordable". That is a good and useful exercise at any time for any government.

The Budget of last April and the one presented to the House last week have enabled us to move from recession to recovery and now on to expansion. Recovery is surely under way. Woods Gordon of Toronto reported very recently that production levels have now reached beyond 90 per cent of pre-recession output. The surplus in our goods trade came in last year, in 1983, at \$18 billion. What a great exporting and a great trading nation this Canada of ours is! That \$18 billion is just a little short of the record we set for ourselves in 1982 of \$18.3 billion in our goods trade surplus. So while output is coming back and we have a very healthy trade surplus, there is a negative aspect as well. Woods Gordon also reports that employment levels have not returned to the extent of production levels. They have only come back to the extent of 65 per cent. We have a more than a 11 per cent rate of unemployment and this means 1.5 million persons without jobs. That is why the Minister last week gave priority to job-creation programs. He added another \$525 million for job-creation programs, which brings the total to \$3.5 billion for the current fiscal year.

● (1550)

It is the job of a Member of Parliament to take a look at these programs and to make use of them. In my constituency I have met with representatives of companies, unions, municipalities, non-profit organizations, small businesses and social agencies. We have designed projects and submitted them under one or another of these many programs for consideration by the Government. Many of the communities have been helped by them. Thousands of unemployed persons have been given jobs as a result of these programs. These people are quite incensed, Sir, by charges from the Opposition that these job-creation programs are ineffective and meaningless. They are going to remember that when the polling booths are next opened.

To conclude, when the final vote is taken on this Budget, I will add my voice to the yeas because we have been given a good Budget. In my view, it is one that is just right for the times.

Mr. Deputy Speaker: Are there any questions or comments?

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, this is a divisive Budget, a Budget that is irrelevant to the real needs of Canada and I am, of course, speaking against it. This Budget not only fails to deal with the massive inequities that we already have in our system, but it increases them through the large number of loopholes which benefit the richer members of our society. We will now have a few more loopholes. The Budget fails to deal with the most critical

problem we have, and that is, the very high level of unemployment. There are 1.5 million to 2 million people unemployed. We even debate what the real number of unemployed is. Indeed, the budget documents project that unemployment will remain very high at more than a million people, for as many years as this Government has the courage to make projections.

The Minister of Finance (Mr. Lalonde) and other Liberal Ministers of Finance have based their policies on the belief that inflation is public enemy number one, that when inflation is beaten investment will rise, and with rising investment more jobs will be created. This has let Ministers of Finance off the hook in their minds about direct job-creation. Has the theory worked? Inflation has indeed fallen, but investment has not risen appreciably. Canada still has an enormous unused economic capacity. Why should corporations expand, invest and employ more people when they already have unused capacity right now? So we have a Minister who talks about recovery, but it has been a recovery in profits, not a recovery in employment when we have 1.5 million or up to 2 million unemployed. In polite terms this is a fragile recovery. In less polite terms, people ask: With a recovery like this, who needs recession?

The Budget pays lip service to the problem of youth unemployment. This is really tragic because the youth unemployment rate is very high, around 20 per cent. This rate is even worse than the rate for adults. There is the Youth Opportunity Fund, but this will give only one job per year to 1.5 per cent of the young unemployed. It is not as much as the Liberal slush fund is providing in jobs. It is less than the Minister of Finance found last year when he made his slip and let out facts about the Budget and then found an extra \$200 million. Here only \$150 million is added to this very critical area of unemployment. Further, it is largely a cosmetic kind of investment. It is to help the young acquire job skills. But where will the permanent jobs be once they have acquired these job skills?

The reforms in the area of small business are also rather cosmetic. A simplification of the system has been promised. Certainly we welcome any simplification which will make life easier for small business people. But most of the benefits which have been promised are not really for small business people but to expand the definition of small business to allow professionals, including very high income earning people, to qualify at a lower tax rate. We have doctors and lawyers, who would otherwise be at the 50 per cent tax level, coming in and paying at the small business tax level on only half that amount.

There is nothing for small business to create new jobs directly or indirectly. There is nothing similar to our proposal for lower interest rates for small business to facilitate expansion in an area that creates a very large number of jobs. Since the consumer taxes which were introduced last year are being continued, this will mean less demand for the goods and services which are produced by small business people. Therefore, small business people will be hit with declining demand. What incentive will they have to expand their businesses in these circumstances?