

The Budget—Mr. Harb

a very good idea. The business community ought to go right ahead with that very sensible idea.

Mr. Gustafson: Mr. Speaker, it is interesting to note that on the Government's record between 1984 and 1988 more jobs were created in Canada than in West Germany, Austria, France, Sweden, Belgium, Greece, Finland, Ireland, and New Zealand. Canada has been creative in production, and the number is 1,432,000 jobs in a four-year period.

Mr. Mac Harb (Ottawa Centre): Mr. Speaker, I am pleased to have an opportunity to participate in the debate on the Budget. There is no question in my mind that the deficit must be reduced if we are to compete in today's global economy and still provide the essential services Canadians have come to expect. The longer we wait, the higher the bill will be and the less money we will have to pay it. We have to start by balancing the Budget.

However, the Estimates which were tabled in the House show that the Government plans to spend \$142.9 billion in the fiscal year 1989-90, despite revenue predictions of only \$112.4 billion. This means a shortfall of \$30.5 billion. It is obvious that the books are not balanced.

The books are not balancing because our economy simply cannot thrive in an environment of high interest rates, decreased government spending and never ending tax hikes. The deficit is increasing and will continue to do so until we find a real long-term solution to this serious problem. Unfortunately, the Government's chosen solutions are not working.

A colleague of mine once described this Government's theory of economics as one based on selling off the furniture to pay the rent. I could not agree more.

The Government is overlooking the obvious. Instead of tax hikes and cutting the very programs which work to prevent economic slowdowns, the Government should be focusing on increasing the country's productivity and competitiveness. The only long lasting means of reduc-

ing the deficit is to increase productivity. This is not a new idea. Increased productivity will not only make Canadian business more competitive world-wide but will provide revenue to reduce the deficit which is threatening to strangle our national economy.

Increased productivity will not only make Canadian business more competitive but will also help us move into the 21st century in a better way. We can increase productivity by improving the skills of our workforce and by putting new energy and commitment into our research and development partnership with the private sector. Improving the skills and education of our workforce is not only a good idea. It is an essential one, given the deplorable state of Canada's basic educational level.

First, let us talk about illiteracy. Based on Gross National Product, Canada ranks in the top ten of the world's wealthiest societies, but ranked by literacy of its citizens Canada is nowhere to be seen in the top ten. Hon. Members may be surprised to learn that countries such as Nicaragua, Cuba and South Korea have literacy levels higher than that of Canada.

The Southam survey carried out in the fall of 1987 is now well known for bringing to light the shocking statistics on the national literacy crisis in Canada. It reports that 4.5 million people, one out of every five Canadians, cannot read a basic job application or a simple operating manual. They cannot read government notices or product labels in supermarkets and are helpless when faced with their children's homework questions.

How did this happen and what does it mean to our economy? In 1961 author Barbara Moon warned that Canada was suffering from widespread undereducation. As Hon. Members can see from the statistics, her warning was ignored.

In today's international market-place, success and profit go to the companies on the leading edge of technology and productivity. Illiteracy simply does not fit