

now to go on and spend money in the pre-electoral period.

In speaking to some businessmen in New York in December, and I am quoting Mr. Ferguson: "The Minister of Finance crowed about the Tories' achievements on the spending control front during the first mandate".

If the Government had solved the problem last year, why all of a sudden do we now have a crisis with respect to the deficit that will lead, we believe—and we are waiting for the Estimates and for the Budget to be tabled—to a severe slashing of important Government programs, many of them important to the Canadian people? This is not untypical of this Government, a Government which promises one thing and does another, which flip-flops all over the place.

We say that the deficit is important, but we also say that what is more important is economic growth which, in the long run, is the best way to reduce the deficit and, in addition, a fair distribution of that growth. Economic growth cannot be promoted by wholesale cuts in certain Government programs which are essential for economic infrastructure and development. In particular, if one is interested in economic growth one does not cut programs for post-secondary education, for training, for upgrading, for research and development, for transportation and communications infrastructure and for industrial modernisation. If one is interested in economic growth and really doing something about the deficit one does not cut those kind of programs because they lead to growth in the economy and to an increased income for the Canadian Government. One does not cut programs which help people buy the very basic necessities of life. All that money is received by these people at the bottom level of our income status, all that money is recycled in the economy for food, shelter and other basic goods and services.

With respect to the great claims of the Government that the economy of Canada is in wonderful shape and that we should all be extremely pleased, let me remind Members that a rate of unemployment at 7.6 per cent is still a higher rate than we had in 1981 before the recession. In 1981 we had a 7.5 per cent unemployment rate. In the period from 1965 to 1980, years which were mostly under Liberal Governments as was pointed out by the Prime Minister (Mr. Mulroney), the average rate of unemployment was 5.6 per cent. Here we have a govern-

ment boasting of an unemployment rate of 7.6 per cent when more than 1.2 million people are still unemployed.

The Address—Mr. Allmand

I know some Members over there are very insensitive when they hear the truth on this subject. We still have in this country five provinces with over 10 per cent unemployment. The Province of Quebec is just under 10 per cent. Here we have a situation in which the largest province in population of course is affecting the national figures. Thank God things are good in Ontario—we have a Liberal Government in Ontario. But the point is that in the regions of the country the economy is not good. There are still over one million Canadians unemployed and the rates of unemployment in the Atlantic provinces, British Columbia and Quebec are highly unsatisfactory.

If the Government is looking for things to cut, as we have said before, it could cut out those nuclear submarines which I note this morning have been criticized once again. I have here a Canadian Press article which appeared in today's newspaper, the title of which is: "Nuclear subs waste of money, retired U.S. admiral warns". He is quoted as saying that Canada's planned fleet of nuclear-powered submarines will run into huge cost over-runs, will quickly become obsolete and make little strategic sense. This is what retired U.S. Navy Rear Admiral Eugene Carroll said yesterday. He is the Deputy Director of The Centre for Defence Information in Washington.

In addition, if the Government is really interested in cuts, and if it is intent on listening to its friends in the Canadian Manufacturing Association, it might call for cuts in subsidies and grants to the corporate sector. According to a study that was completed late in 1988, and I am referring to an article reporting on that study, business has demanded cuts in spending on social programs to reduce the \$28 billion a year deficit but seems to be ignoring the fact that its share of federal largesse has grown while its share of the tax burden has shrunk. As a percentage of Gross Domestic Product, the value of all goods and services produced in the country spending on business through subsidies and other assistance increased from less than 1 per cent in 1970 to a peak of 2.5 per cent in the mid 1980s. Spending on persons meanwhile has declined steadily since peaking at about 7 per cent of Gross Domestic Product during the recession to about 6 per cent of Gross Domestic Product today. I would encourage the Government to look at that side if it insists on cutting in order to deal with the deficit.