

The Budget

We in this party say that there is a key and important role for government as a partner in the economic and social development of a country, a partner with business and with labour.

The government is fond of discussing Canada's position in the international economy, but look at what its policies have led to: higher unemployment, losses of investment to the United States and elsewhere, destroying communities right across Canada, the growth siphoned off to pay for borrowing from foreign sources, a failure to diversify trade by putting all our eggs in the U.S. basket, failing to back global enterprises which are competitive and to insist in retooling the manufacturing industries in this country.

The government has step by step dismantled the shipbuilding industry in Canada. It is destroying the forest industry in Canada. It has cut back further, despite all the pleas, on research and development and most grievous of all, it has consistently reduced the money available for education and training.

Health and education spending, for example, dropped in the last full budget year by 10 per cent and defence spending has gone up. The priorities of this government, particularly now that the cold war is over, are backward.

Part of the government strategy is to drive down wages in the name of productivity. We have just seen this very week that one of the most productive car plants in North America, the GM plant in St. Catharines, is being closed despite the fact of its productivity, as part of a corporate, political decision made by its American owners. This government was silent and ineffective in its response to that.

The strategy has failed even on the terms the government itself has set down from the beginning and that is that the deficit is all important. Under this government the federal deficit has increased from \$234 billion in 1985 to \$420 billion in 1991. The government peddles the myth of the deficit. Look what it has done. It built a new embassy in Tokyo on lands worth \$5 billion to \$6 billion. It has handed out capital gains exemptions worth \$11 billion in the last seven years.

In the next five years the corporate giveaways in this budget alone are worth \$2 billion to \$3 billion, unproductive to the future of the economy and to the creation of

jobs, but \$2 billion or \$3 billion to the corporate sector in this country.

In failure to collect taxes alone the government is losing billions and billions of dollars. The last figures that I have are for 1987 when there was \$16 billion in uncollected corporate taxes. Tax holidays originally handed out by the Liberal government and continued by this government have cost the Canadian taxpayer over the last 10 to 15 years \$40 billion.

The government has done nothing to address private debt in this country. It talks about public debt and the ideological interest of driving down the role of government in our society, but is silent on the fact that private business has a debt in this country equal virtually to that of the public sector, \$406 billion. The reality is the federal deficit as a percentage of Gross Domestic Product has declined from 8.8 per cent in 1985 to 4.4 per cent in the most recent year. Government spending as a percentage of GDP has reduced from 23.9 per cent to 21.9 per cent.

Japan invariably runs a higher deficit than Canada, and its international record is overwhelming. Public sector wages held up by this government last year as the problem represent merely 9.2 per cent of the federal budget, and on and on it goes. What we now have to do is turn our attention to an alternative approach to building a fair, just and prosperous Canada so that we can play our part in the world.

The other night there was a CBC *Town Hall* on television. It was fascinating watching the responses there from across this country. Out of that I jotted down a few thoughts of my own that might make an approach, a beginning to building the kind of economic policies that I think can hold this country together. The first and foremost is honesty in government. We have to start there. The government's budget in a number of areas was simply dishonest. We must start with honesty in government and begin trusting the people and listening to the people.

Second, we must begin at the community base and support community based initiatives. Some of the most dramatic success stories in Canada have happened at the community and municipal level. We have some from Victoria where the local Greater Victoria Development Economic Commission has had a number of projects which have led to a very impressive record in our community.