

The Budget—Miss Nicholson

further \$500 million would be trimmed off those Estimates, but we do not know where. Presumably it will be related to the Nielsen Report which we are expecting on March 11. However, that raises another set of questions. Why has it taken so long to let us have that report?

● (1720)

In the budget papers there was no mention whatever of youth, and the budgetary estimates show no programs in the youth Ministry. Last year, being International Youth Year, there were some moneys but there was much more emphasis on public relations. Apparently the Minister's office and role remain, but there are no programs to be administered. Are we to assume from this that the Government will be conducting some public relations about youth but has no real programs to assist in the area of youth unemployment?

Earlier I mentioned the foreign aid cut. There was some modification to that when the Secretary of State for External Affairs (Mr. Clark) announced that some outstanding loans would be converted to grants. However, the fact still remains that Canada's commitment to increasing foreign aid has been postponed for several years.

We are now in the third year of recovery from a particularly cruel and harsh world recession. For 18 months of that recovery period, the Conservative Government has been in office. We are now reaching a point where traditionally one might expect some kind of cyclical downturn. Has the Government faced this? I think there is an indication somewhere that the Minister of Finance recognized this as a scenario. If it is, how does he justify the emphasis on tax, tax, tax?

A well-known commentator writing in *The Citizen* stated that the Finance Minister "does not look like a riverboat gambler, but his Budget is a political and economic gamble more suitable to a double or nothing card shark than to a man who looks like a bank accountant or a Sunday school superintendent. By piling taxes on taxes, it is a fiscal plan which risks touching off a national revolt against rising taxation". I would also add that the gamble in piling on taxes and in reducing consumer demand may indeed assist in touching off a recession. Tax increases at a time of economic slowdown can slice into the ability of the economy to produce revenues and can create problems which are at least as bad if not worse than the problems of the deficit. In spite of all the Minister's brave words about reducing expenditures, he presents us with a Budget which is really based upon tax, tax, tax and spend, spend, spend. It is a gamble which may come off; it is also a gamble which may bring very difficult results.

[Translation]

Mr. Lanthier: Mr. Speaker, I just heard the closing remarks. I had taken several notes here to support my comments aimed at the Hon. Member for Trinity (Miss Nicholson). But I heard the closing remarks about "spend, spend, spend" and "cents, cents, cents". I wonder whether she recalls another remark that was made by our Prime Minister (Mr. Mulroney), when he said: "Jobs, jobs, jobs". And I think that

in French we could use the same words: "Jobs, jobs, jobs", even in France. After the allegations she just made about the Minister of Finance, I would like to ask the Hon. Member for Trinity to comment on the fact that since we came to power in 1984, 580,000 jobs have been created in Canada, and the unemployment rate has come down below the 10 per cent mark for the first time since 1982. I would like her to comment on those results when she uses the word "gamble". I would like to hear her comments on those results they are not the product of a "gamble", but are very factual results.

[English]

Miss Nicholson: Mr. Speaker, as I said, we are in the third year of recovery, and of course jobs are being created.

Mr. Lanthier: Bravo.

Miss Nicholson: Jobs are not created by Governments. They are created by the economy, by the free market sector, on which the Hon. Member's party lectures us so much. If this Government were not in power, if it were a Liberal Government in power, I would fully expect that the employment creation rate would have been very much better than what we have.

Some Hon. Members: Oh, oh!

Miss Nicholson: I do not think that to achieve under 10 per cent in the third year of recovery is anything of which to be proud. An unemployment rate of under 10 per cent translates into a lot of very unhappy people. I see them in my constituency office every day. It is no comfort for them to be told that the Prime Minister says that there are 400,000 new jobs out there. They are having difficulty finding one. To be sure, the unemployment situation is not as cruel as it was in the depths of the recession, but it should not be. We should have made a lot more progress by now.

As we come out of recession, many employers have found that they can manage with fewer people. We are not seeing the same kind of rapid increase in job creation, and the jobs which are being created now are very selective. Highly trained, well educated or highly skilled persons can easily obtain jobs. Unskilled persons and young people are having extremely difficult times. There is no reason for any of us to be complacent about the employment situation. To be sure, it is better than it was during the recession, but there are still many Canadians who badly need someone to be concerned about them and their future employment situation.

Mr. Blenkarn: Mr. Speaker, the Hon. Member's speech was niggling on the Budget, but she referred to oil prices in part of her speech. She should know that the Economic Council of Canada conducted a study on oil prices, taking the figure, for example, of \$19 U.S. per barrel. It indicated that that was a plus in terms of improvement of national productivity, in terms of wiping out the deficit by at least \$5 billion in that reduction by 1990, and in terms of more employment. The fact is that there are more users of energy than there are producers. While we lose some taxes in what we collect from the energy indus-