

The Budget—Mr. MacLaren

Hon. Roy MacLaren (Etobicoke North): Mr. Speaker, the tabling of a Budget is an occasion when a Government assesses where it has come from and proclaims where it intends to go. In this sense a Budget is a blueprint, a plan for the coming year. Companies prepare budgets to assist them in meeting their goals. Countries prepare budgets so that they can finance the programs they consider essential.

From the Budget tabled yesterday, we know how little importance this Conservative Government attaches to issues of major importance to Canadians—to promote full employment, to protect the environment, to develop our regions, to make our industries more productive, and to be internationally competitive.

We know how little importance this Government now assigns to ensuring that the recipients of social assistance have the means to raise themselves from poverty, to improve our education system and to assist the Third World with its debt and its development.

A Budget is even more than a basic plan of a Government. It is the occasion when a Government offers the people its thoughts, its vision if you wish, of where it hopes to lead the country. Judged by these standards also this Budget fails. It fails to offer Canadian people a concept of Canada beyond that of a reduced deficit.

In attempting to reduce its deficit, the Government has constantly spoken of fairness. But what is fair in imposing more taxes on those Canadians who can least afford to pay them? What is fair in cutting unemployment benefits while increasing employee and employer contributions? What is fair in asking the unemployed to pay for their own training, as well as the retraining of those who are employed?

What is fair in transferring to the provinces more of the cost of our social programs, of medicare or of higher education? Those costs will still need to be met. Now the provincial Governments will either have to reduce their own spending in those vital areas, or increase their own taxes to compensate for these federal cuts.

What is fair about raising interest rates for the past two years, and in so doing, fuelling inflation? Today, after two years of higher and higher interest rates, the threat of inflation is no more or less evident today than it was two years ago. What is fair in that?

Canadians today, as a result of both higher taxes and of higher interest rates, must pay more for their houses and their automobiles. The combination of higher taxes and higher interest rates put the successful operation of a small business or a farm at even greater risk. Is this what the Prime Minister (Mr. Mulroney) means when he says that his Government will be equitable to all Canadians? This negative Budget which has no purpose, other than to reduce federal Government spending and to raise taxes, is a direct result of this Government's own failure during the past four years to manage properly the Canadian economy and to put its own fiscal house in order.

Some Hon. Members: Hear, hear!

Mr. MacLaren: Mr. Speaker, a rudimentary principle of economic management is that the Government must pursue at all times a prudent and responsible fiscal policy. When times are good, the Government should reduce its deficit and prepare its fiscal house for the inevitable time when the economy becomes less buoyant. When a downturn is expected, as is now the case, the Government must put in place measures to stimulate the economy and to reduce unemployment. This is the traditional stabilization role of the Government in the economic cycle. In light of that simple and widely accepted economic principle, it is clear that the Government has failed in its management of our economy.

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Over the last four years, in spite of strong economic growth, the public debt has nearly doubled, having reached more than \$320 billion. The Government has piled up more debt in four years than any other Government since Confederation. Despite all the Government's rhetoric about deficit reduction, the deficit today remains at \$30 billion, almost the same amount as when the Conservative Government took office four years ago. Yet, even with this poor financial record, the Government committed itself to \$17 billion of pre-election and election promises. When times were good, instead of preparing the finances of the nation for less affluent times, the Government continued to spend, adding program on program and promise upon promise.

Now that an economic slowdown is in progress, the Government has no money either to honour its election promises or to help reinvigorate a weakening economy. By spending more when it should have shown restraint and by leaving corrective action so late in the economic cycle, the Government has put itself in an unsustainable position. Now all Canadians are being made to pay for this mismanagement.