

### *The Budget*

country is already experiencing economic disaster. As hopes disappear, incomes disappear and with that comes a rise in social tensions, family tensions, marital breakdowns, alcoholism, and crime rates, as well as continuing pressure on the social structures and fabric of this country.

This government must be held accountable, as should its predecessors, for the squandering of the resources that we have been given in Canada. The budget specifically continues to erode federal government support for education and health programs. It eliminates, finally and officially, the family allowance program which has been an important part of our social structures in Canada and a statement of our community's understanding that children are important and that we as a community are prepared to support the children of this country.

This government has said in this budget and in the accompanying statements that its solemn commitment to the people of Canada to establish a national child care program is dead. It has killed that program with this budget, and with it one of the most critical elements in rebuilding a sense of society and community in Canada.

The budget has eliminated the Science Council of Canada, the Economic Council of Canada, the Canadian Institute for International Peace and Security, and the Canada Race Relations Institute. That last one is a particularly grievous breach of commitment by this government to Japanese Canadians and others in this country. Just before the last election the government made much of its reconciliation with Japanese Canadians who were treated so abysmally during the Second World War. When it made that commitment it had the support of this party and all sides of the House. It was righting a long-standing wrong. Part of the commitment it gave the Japanese Canadian community was that it would put up money for race relations which would be matched by the Japanese Canadian community. The Japanese Canadian community has kept its part of the bargain but this government has in this budget reneged on its solemn agreement.

The budget implements the Conservative strategy and philosophy on the economy. Let me set out my understanding of that policy and that understanding.

The key element of the Conservative philosophy, which is again self-praised throughout the budget, is that

of driving inflation down as close to zero as it can get. Economist after economist has said that is a disastrous strategy and we are now seeing the results of that strategy. It has driven up the Canadian dollar. It has put our export industries in jeopardy. It has actually increased the deficit.

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Half of the federal government debt in Canada today is due to the interest rates the government pays on the deficit. Only 6 per cent, I should add, is the result of operating spending by government. This government, by driving up interest rates to pursue an ideological ivory tower approach to the economy in the interests of trying to get inflation down, is destroying the Canadian economy and with it putting unbearable pressures on Canadian society.

Dr. Clarence Barber of the University of Victoria gave a very interesting speech in October 1991 in which he outlined in detail the impact of a zero inflation policy imposed by the Governor of the Bank of Canada, John Crow, with the full and enthusiastic support of this government.

The second element of the government's policy is the trickle down theory, that somehow if you help the rich the economy is going to get better. This government has helped the rich and well to do. It has hammered individual families. The GST cost individual families \$570 a year. Since this government took office, individual families are now paying an additional \$1,530 a year in taxes. Yet, on the other side of the coin, the corporations have been relieved.

The effect of all of this, the third element of the government's policy, is the privatization of government, the reduction of government as a partner in the economic future of this country. It is increasingly turning power over to the private sector and to the large, rich and powerful in the private sector. With that has come the decreased standard of living of people in this country.

Over and over again, economists have made it clear that it is far better to maintain a moderate level of inflation and tackle the problems of employment and unemployment than it is to have an ideological commitment to drive inflation down.