

*The Budget*

I said last year and maintain today that the Economic Council of Canada recommendations provided an alternative to the Conservative government's present policies. Not only has the government rejected the recommendations of the Economic Council of Canada but it has decided to kill that agency. It is obvious that the government wants to eliminate any independent voice.

[English]

The government has ignored the alternatives suggested by the Economic Council of Canada, has killed the council and has deliberately pursued a policy of high unemployment in order to control inflation.

**An hon. member:** Hear, hear.

**Mr. Berger:** That is why we have a million and a half Canadians who are looking for work today.

We in our party do not believe that high unemployment is acceptable. We in our party do not believe that high unemployment is inevitable. We do not believe that there is no other way. We do not believe that government must resign itself to massive unemployment. Neither did the members of the Economic Council of Canada.

**An hon. member:** That's why they are gone.

**Mr. Berger:** Today they are gone, for having dared put forward a view that is contrary to this government.

Our party believes that things can be done in the short term to alleviate some of the suffering that Canadians are experiencing and to provide Canadians with the dignity that only comes from working. We believe that it would be appropriate to increase the deficit, just slightly, in order to put people back to work.

Last year in my budget speech I pointed out that the former Minister of Finance in his first budget in 1985, I believe it was, predicted that he would reduce the government's fiscal deficit to \$18 billion by the end of the decade. We know that in last year's budget he was forecasting a deficit of \$30.5 billion, so he missed the mark by the small sum of \$12.5 billion.

In this budget tabled several weeks ago the current Minister of Finance of course says that no, the \$30.5 billion figure cannot be met and is now talking about \$31.5 billion. There are many economists who even regard that estimate as overly optimistic.

When the leader of our party suggests that in order to put Canadians back to work the government might consider increasing the deficit by, for argument's sake, \$1 billion this year, in order to provide Canadians with the dignity of working, that only comes from working as I said earlier, is it such an unreasonable proposal? Is it such a ludicrous proposal that it would be rejected out of hand by this government and by the Minister of Finance?

When we say perhaps increasing the deficit slightly in order to put people back to work, the leader of our party has pointed out that it may not be money that would be a net drain on the government's finances because this expenditure would be paid back in the form of lower unemployment insurance payments, lower welfare payments and more taxes.

We in our party realize that Canadians are not looking for short-term fixes. Canadians realize that there is no quick fix to what it took the Tories eight years to destroy.

On the other hand, we believe that the government has a responsibility to help Canadians through difficult times. That is why our party has put forward some proposals to stimulate the economy in the midst of this recession.

In the long term Canadians need a government to implement a strategy to ensure the sustained growth of the Canadian economy, to create wealth in a knowledge-based world economy, to ensure prosperity on an ongoing basis. It is evident that the government has no such strategy.

I have spoken in this House many times about Canada's deficiencies in the area of science and technology. We have to invest more in R and D in this country in order to increase value added, in order to provide high wages to our workers, in order to produce quality products. I am talking about value added products for export and for consumption in our domestic market to compete with imports.

Is there anybody in this House who believes that we should compete with the low wage developing countries for low value added goods and services, low wages and low skills? Is that the game we should be in? Or do we want high wages and high skills? The only way to have high wages and high skills is to increase the value added of what we produce and of the services we offer here in Canada.