

The Budget

Those figures are very precise. There are precise figures about the kind of savings there will be by reducing programs for Indian and Inuit people, the kinds of savings there will be from a reduction in overseas development. There are specifics about the kinds of savings we will see from veterans. It is all very specific in the budget.

The budget also talks about the ending of grants to business. The government presents this as dealing with fairness and justice. It is going to end grants to business, but which businesses? Is it small businesses that create most of the jobs in this country and will feel the worst effects of the goods and services tax because of the administrative burden, and fewer purchases? This government does not say.

Is it the over 80,000 profitable corporations that do not pay any taxes? This government does not say. And how much will we save by this budgetary measure that is supposed to assure those less well-off people that the corporations will pay their fair share? Well, there is no figure.

I find that very curious because when this finance minister decides that he is going to cut services to veterans, cut social housing, cut social assistance, cut child care, he knows exactly how much. But when it comes to his friends in the corporate world we see no figures, no projections, no definition of what business he is talking about.

This is the kind of flim-flam and sham that the Minister of Finance is trying to sell to Canadians as his answer to the 1990s. Well, this is the minister's sixth budget and it is absolutely essential that we look at this budget in that context. This Minister of Finance has had six years of economic mismanagement. He has had six years to bring inflation under control. He has had six years to get interest rates down. He has had six years to plan for post-secondary education and research. But what has happened? Now we are told it just did not work.

Mr. Nystrom: We should deep six him.

Ms. McLaughlin: My colleague says we should deep six the minister. I think that may be a good piece of advice for the government.

On the one hand the government is purposely pursuing a high interest rate to bring inflation down, while on the other hand it is proposing a goods and services tax which by its own admission will increase inflation. It is pretty hard for average Canadians and maybe for average members of Parliament to follow this logic and this kind of economic management.

On one hand you have a policy to bring inflation down and another one to bring it up. That is some balancing act. I would suggest to you, Madam Speaker, that just like those statements about sacred trust of social programs, just like the statements about the goods and services tax not being hidden and that it would develop our economy, this budget simply is not describing the situation as it is. By pursuing conflicting policies, this government has led us to a debt that has doubled since it came into power. This is economic management?

In fact, the government predicts higher unemployment rates in its own budget. This should be a shame to the government, not a so-called economic indicator. History would show that this government bases its budgets on some fairly inaccurate projections. In last year's budget the minister said our interest rate this year was going to be about 10 per cent, and all of the calculations were based on that figure. Canadians who are now looking at interest rates of 14 per cent and more know how much they can trust the projections of this Minister of Finance.

They also know that the high interest rate has added billions of dollars to the deficit the minister says he wants to bring down. For each increase in the interest rate we immediately add \$1.7 billion to the deficit. Again this year's budget is based on low interest rate forecasts. Given the course followed by this government, I think we can assume that it is very unlikely to happen so that we will have inaccurate projections of deficit reductions and the deficit will remain high.

In conclusion, this is truly a budget of despair and disparity. For women, for aboriginal people, for the unemployed and for the poor it holds no hope for a brighter future. It means even a larger gap between those who live in the richer provinces and those who live in the poorer provinces. It is tough times for those who live in the Atlantic, on the prairies, in the north. It is a budget totally without vision, without new ideas, a budget that fails to deal with the challenges of tomorrow.