

*The Budget*

and the Minister of Finance that free trade was going to open up new trade opportunities, bigger markets and larger growth. Instead it has shrunk, it has fallen, and we are now in a serious crunch in terms of our trade surplus and even more desperately in terms of our foreign exchange position.

That is a problem that no government can ignore but this government does. It does so with effrontery and arrogance to the extent that yesterday the Minister of Finance in Question Period said that we are going to persist with a high interest policy. The position of the Government of Canada is high interest rates. A high interest rate will keep the dollar high, the dollar will stay high and therefore our exports will fall, therefore we will have less money to pay for the \$3 billion an hour pouring out of this country. We are in a vicious circle. We are chasing our tail and the Minister of Finance does not deal with it in one sentence in his budget.

He does not care about the fact that this country, day by day, hour by hour, is becoming more indebted to foreign markets, to foreign banks, to foreign investors and therefore weakening our ability to be a significant independent player in international trading markets.

Is that a sense of responsibility? I go back to my first remarks that it is time Canadians knew that we needed a different kind of budget.

Let us take it one step further on the grounds that we are so deeply concerned about that international marketplace. What is the primary criteria for competition in that marketplace? Every single examination conducted by the Economic Council, the Conference Board, Bank of Canada says we must become innovative and creative. It is going to be information skills and knowledge that will allow us to compete.

What do we have in this budget? How is the Minister of Finance responding to that challenge? I will tell you how he is responding. He is responding by cutting back on higher education. He is responding by cutting back on research and development. He is cutting back on the very elements of investment that would make us strong and competitive. How can this government stand up with any nerve at all and say: "Hey, folks, we gotta become competitive, productive, smart and creative" when we are cutting back on our universities, cutting back on our research and development and totally ignoring the ne-

cessity for this country to get into the mainstream, to say nothing of totally contradicting the commitments made by the Prime Minister at the big meetings on education and the commitments made on research and development? That is what gets cut.

There is one exception and I would like to point it out. One part of the budget which still retains a large amount of funding, over \$250 million, is the defence industrial productivity program to give grants to industry to make weapons, to make armaments, to fuel the arms race.

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What are *The Economist*, the *Washington Post*, French magazines, German magazines or Russian magazines all talking about? They are saying that we are now living in an era where the arms race is coming to an end and that every country should start thinking about a peace dividend. How do we start re-orienting our budgets in this new age, to re-allocate it to training, to education, to research? How do we make the country stronger? Not by stimulating further arms investments, but given the chance for the first time in 45 years to re-orient our society, does this government understand that reality? Is there anything in this budget that acknowledges that to be the case? A defence budget of close to \$12 billion; DIPP funding of \$250 million.

I am not saying that we go and slash and hack away at the defence establishment. We need a policy. We should be talking about conversion. There are other things that we could be doing. We have argued now for a year, since the last budget, that there are all kinds of creative possibilities in which we can use those defence moneys. We can do it in terms of our own sovereignty, developing Summerside as a peacekeeping centre, these sorts of ideas. But the government has nothing in it, there is not a thing. So it is business as usual at a time when every other country realizes that there is a dividend to be achieved and we are failing totally in meeting that possibility.

It seems to me that there is another way, another option, another choice that Canadians could have seen in this budget that would have given us a lot more sense. We should have a creative Minister of Finance, rather than one who simply thinks that the deficit is the only thing that counts.