

cut back the number of students they will accept in their entrance year.

The government also pays lip service to the need for more research and development in this country. When the smoke clears and the Minister of Finance stops moving the shells around in his shell game of a budget, Canadians will see that the budget offers about only another \$230 million for this vital activity spread over five years. At the same time the government cancelled the Science Council, a vital source of advice and research and support for having a more effective, competitive and technologically advanced country.

The budget also appears to do things including tax changes to help business. Everything in this budget that the government says is targeted to help business will not even begin to make up for the damage this government has done to business, especially manufacturers, through its high interest rate and high dollar policies.

When the smoke clears away from this budget and the mirrors stop flashing, Canadians will see there is nothing in the budget to take away the reality that our interest rates are still very high. They are still too high in real terms after deducting the rate of inflation from them.

There is no pledge in this budget about further declines in real interest rates. This budget says nothing about the need for further declines in the Canadian dollar. Instead the Bank of Canada, apparently with the support of this government and this Minister of Finance, appears to be working to keep the dollar up in spite of pleas from our resource companies and our manufacturers that the dollar be allowed to decline further to help restore their competitiveness in world markets.

The government talks about fundamentals, but it still refuses in its budget speech to admit that the fundamentals of the interest rate and the dollar are still not right and are still working against the best interests of Canadian business and the Canadian economy, still reeling from the impact of the GST and the free trade deal and yes, world economic changes.

[Translation]

The Conservatives' economic policies have caused record levels of personal and business bankruptcies in

### *The Budget*

Canada. The economy cannot grow until businesses can operate in a relatively stable and healthy environment.

[English]

The budget sets out forecasts of the government deficit, forecasts of the unemployment rate and economic growth for Canada. I note this government has not been right yet in those forecasts, if we look back at its previous budgets. Even if these forecasts turn out to be right, they paint a sad picture of too high unemployment and a lagging and weak economic growth.

The minister's own budget papers confirm how poor its management of the economy has been. Take a look at page 41 of *The Budget Papers* and I quote:

Taken together, annual growth this year and next still remains well below the 4.7 per cent average of growth in the 1983-1984 recovery period.

Take a look at the next page. It says:

Annual growth of 4.5 per cent in 1993 is below the norm of past recoveries—The present recovery has been weak by historical standards. Excess capacity will thus remain in the economy throughout this period—despite the anticipated pick-up in growth in 1993.

That is quotation from the minister's own budget papers. These are buried in these papers but not found in the budget speech.

When *The Budget Papers* speak of excess capacity, this means more lay-offs, more lost jobs, more closed factories and lost production.

Once again, when the smoke clears away and the illusion of good economic management this budget attempts to create is gone, we see the budget is really a sham when it comes to helping create a strong recovery. This budget is lacking in many things, but it is especially lacking in a commitment to strong economic growth.

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The budget continues to address the deficit and debt reduction. These are certainly important issues, but there is no recognition of the role of economic growth in helping to deal with those problems. With economic growth there is less government expenditure for things like welfare. With economic growth there is more revenue without tax increases because businesses are making profits and people are working and earning incomes.