

*The Budget—Mr. Riis*

find that their family allowance will be less than they expected. The working people of Canada are being asked to pay the price of this Liberal government's economic mismanagement over the last number of years.

To get an indication of what this government feels the next number of months will hold, we look at the budget documents and what the government has projected. Every budget has a number of pages where the government projects the rate of inflation and unemployment, and what job opportunities will be like. But we note the absence of those pages in this budget. There is very little forecasting, and I wonder if that was not a conscious omission, Mr. Speaker. Knowing what is going to happen in the next six to 18 months, would any government want to describe the phenomena of more difficult economic and social times?

Just seven months ago, Mr. Speaker, we had a budget—so-called, because it has never seen the light of day in this House—which forecast unemployment of 946,000 in Canada this year. It was wrong, because today we have, according to Statistics Canada figures, 1,241,000 unemployed plus nearly 200,000 people who have given up looking for work. The budget suggested that the unemployment rate would be about 9 per cent, but today it stands at 10.4 per cent.

Real gross national product was predicted to be up 2.2 per cent. On an annualized basis it is now down 8 per cent. Seven months after the budget inflation is 11.8 per cent and destroying the purchasing power of virtually every single Canadian, and the prime rate today is 18.25 per cent. The dollar is at an all-time low, housing starts are off 50 per cent over last year, more than 1,000 construction companies have gone bankrupt in the last year, and the budget deficit is touching \$20 billion. Because of this budget that deficit is likely going to be closer to \$23 billion by the end of this year.

The reason for that is that this budget assumes a major economic recovery in this quarter and the following quarter. Anyone with any economic understanding or with financial know-how will know that as a result of this budget economic recovery is not about to occur. We also find that the decline in industrial capacity will likely continue for a number of months according to all projections, having fallen now for ten consecutive months.

Since the last federal election 18,000 businesses have gone bankrupt. What does that mean? It means that, not counting those who have gone through the process of receivership or all those businesses which simply closed their doors, boarded up their windows and walked away, we are talking about tens of thousands of Canadians who have lost their hopes and dreams along with their life savings as a result of the economic conditions this government has been perpetuating for the last number of years.

However, statistics do not clearly describe the human tragedy and suffering which is occurring in Canada today. They do not describe the fear that people have, the want that so many Canadians are experiencing, or the anxiety and despair. When you have nearly two million people, Mr. Speaker, caught in the web of enforced idleness, what does

that do to the health and morale of the country? What does that do to the household where the breadwinner is sitting idle with no hope of finding a job in the immediate future? I suspect that as a result of these conditions, which will be aggravated by the budget of last night, we are going to see an overwhelming wave of protest of discontent and anger unprecedented in Canadian history. It is an understatement to say that the economy is not healthy.

• (1600)

I listened with interest to a number of premiers who were commenting on the budget and saying how it would affect the provinces. Most premiers said they were afraid Canada was heading into a very serious depression, that some sectors of our economy are too far gone now ever to recover properly because they have fallen beyond the point of no return.

If you visit shopping centres and walk up and down the main streets of Canada today, you will notice an absence of people purchasing commodities in businesses, shops and small factories. People do not have the purchasing power they had a year or 18 months ago. People are not buying today because they are unable to do so.

Industrial capacity in our country is operating at less than 70 per cent. Plants are laying off employees and are closing down because no one is purchasing their goods. Offices right across Canada are closing their doors. They are cutting back on staff because no one is using their services. Half of our mines are closed because people are not producing their goods for manufacturing purposes. The saw mills have been laying off employees from one end of Canada to the other. Today in the province of British Columbia nearly one quarter of the IWA membership is laid off because people cannot afford to buy or to build new homes and factories.

People cannot afford to buy goods and services in this country. But how does the government react? The government reacts by raising taxes, by restricting wages and salaries which will keep more money out of the marketplace. This situation reminds me of the old medieval doctor whose idea of assisting his patient was to take a knife and insert it into him to make him bleed. That is kind of methodology the Minister of Finance (Mr. MacEachen) is using today. Dr. Allan is asking us to bleed a little more.

I received a telegram this morning from the Community Business and Professional Association of Canada. This telegram states that it is high time workers are not again singled out to take the rap and that well-paid workers are their best customers. The business community of this country is concerned when their customers are no longer employed or are being threatened with lay-off. We know what is happening to the business community of this country. Some token assistance was included in the budget for those businesses interested in expanding, buying new plant equipment and machinery. But what businesses are able to do this? What businesses are in the process of expanding during these times to take advantage of these programs?