

The Budget—Ms. McDonald

imagination. There are no bold initiatives in the Budget to deal with unemployment. The area from which I come, Toronto, Broadview—Greenwood, is one of the better off areas of the country with regard to jobs, but we know that people in other parts of the country are suffering greatly. They cannot look to the Government or this Budget for any relief or hope that job creation and regional equality will be a priority.

The Government could be bringing forward positive measures in terms of improving the productive capacity of our country, in terms of developing our primary and manufacturing resources, and in terms of investing in science, research, technology, post-secondary education and job training in order to promote economic opportunity for Canadians. However, the Government has failed to do that in this Budget.

There is no tax reform in this Budget. That has been put off to a later date. We are not sure what that date will be. We suspect that any measures along these lines will be brought in as a pre-election goodie to be handed out by a cynical Government that has not done very well and will be looking for ways to earn back the esteem of the Canadian public.

I note that the Government completely missed the opportunity to deal with the child care issue in this Budget. There is not a penny more for child care in it. We have a hypocritical Minister responsible for the status of women who is also responsible for privatization. Her heart is certainly more in her responsibilities for privatization than in the promotion of the status of women. She said that rather than putting the wrong amount in the Budget it is better not to put in a dime. That means that there are zero dollars for child care while we all recognize that there is a crisis in that area.

Families across the country have been asking the Government to deal with it and get on with the job of sharing the responsibility of parents for the raising of children. Our Party recommended an immediate infusion of \$300 million for child care while awaiting the long term and gradual development of a national child care system. This infusion of funds has been demanded by the organizations concerned with child care and the professionals involved, yet there is not a dime in the Budget for that purpose.

I note also that the Government claims to be reducing the deficit with this Budget. Let us be clear about what the Government's precise intentions are. Let us be very clear that the accumulated deficit is growing. When government Members talk about nibbling away, picking away, chopping away or chiselling away at the deficit, they are not talking about the accumulated deficit and actually reducing the debt-load which Canada bears. The accumulated deficit continues to increase. The only point they can make is that it is accumulating at a slightly slower rate than it had been during the last couple of years under the previous Government.

If we use the figures for net public debt from the Department of Finance using a public accounts basis, which is a very conservative one, in 1981-82 we had a net public debt or accumulated deficit of just over \$100 billion. It rose to \$128

billion in 1982-83. That was the beginning of the recession and the reason for an increase in the accumulated deficit. The effects of that recession were felt very strongly in 1983-84, when the accumulated debt went up to \$160.7 billion; to \$199 billion in 1984-85; and to \$233 billion in 1985-86. That is what I call a growing deficit. The best the Government can say about the annual deficit is that it has not done as badly as the worst years of the previous Trudeau regime.

● (1630)

The Government's record is not impressive and one must still refer back to the example of Tommy Douglas in Saskatchewan when one talks about reducing the deficit. Saskatchewan had the largest per capita accumulated deficit in the country when the CCF took over in Saskatchewan in 1944. Under a CCF Government, the deficit gradually reduced year by year until it was eliminated completely 20 years later. That was accomplished by Tommy Douglas and Woodrow Lloyd and CCF Governments.

Last year the Government predicted an annual deficit of just under \$30 billion, which is the predicted deficit for this year. We know that the Government had to raise that estimate to \$32 billion last year and it can only predict an annual deficit of under \$30 billion this year because of the projected sale of Teleglobe. It is selling off the family jewels, or the family silver, as that profitable Crown corporation has been referred to, in order to come under the magic figure of \$30 billion.

The annual deficit in 1984-85 was \$38 billion, \$34 billion in 1985-86, and \$32 billion for 1986-87. The projected deficit for 1987-88 is \$29.3 billion. We do not consider that as chiselling away at the deficit.

Budget restraint is another key word in the Government's rhetoric. Let us consider what spending restraint means. While the Government certainly has changed its spending priorities, in my opinion those changes are not for the good. We should not be under the illusion that there is general budget restraint because there is no decrease in government spending over-all. While it is decreasing spending in some areas, including some which are very important to people, it is increasing spending in other areas.

Total budget expenditures in 1984-85 were \$96.5 billion. In 1985-86 they were \$103.6 billion, and for the current fiscal year 1986-87, they are \$107.4 billion. Such an increase every year is not budget restraint and reduced spending.

The Estimates for 1987-88 show \$110.1 billion, which is a 5.1 per cent increase over last year. It is idle to talk about budget restraint and reduction in expenditures when there is an increase greater than the cost of living and greater than the increase in Gross National Product. That is not budget restraint.

However, there has been restraint in areas of low priority. The Government wanted to reduce spending even further by cutting old age pensions. We know that it cut family allowance in its partial deindexation and plans to cut the child tax credit.