

chosen to continue borrowing beyond their capacity and are making ordinary Canadians pay the bill.

Economists are saying that the Budget brings the worst of both worlds, that Government spending cuts are so weak that the deficit will actually be worse this year and there will only be a marginal reduction next year. Trying to reduce the deficit by sharply increasing taxes will increase inflation and slow growth. This will leave little room to reduce interest rates. Excuse the cliché, Mr. Speaker, because I mean it in the literal sense, but who in the world is going to have confidence in Canada now, in our dollar, in our fiscal policy, in our commitments?

Economists also say that the Government's forecast for 3 per cent growth is optimistic, that it will not be met this year and next year it will drop to 1.7 per cent. For every percentage that growth goes down, unemployment goes up, so next year is the big story and what will the Canadian public deduce when unemployment goes up over 8 per cent and interest rates go up and the deficit target cannot be met? What a loss of confidence and trust in a government responsible for the social and financial welfare of all Canadians, not only a select few.

Lack of confidence in the Canadian dollar is one thing, but it is the massive cut in foreign aid that sends the wrong message to the world that Canada does not care. Those of us on this side of the House do care and we say that if the Government wants to cut spending it should have tightened its own purse strings and not toughened its assistance to the world's hungry citizens. There was no conscience present when \$360 million was cut from foreign aid. Foreign aid should have gone up 6 per cent with inflation, not cut.

Only half of the 28 government departments are even cutting staff, the rest are all hiring. The reduction of staff is half of 1 per cent. I bet the Public Service is laughing as a lot of people consider this spending to be a joke. It is really hypocritical that only four of the 28 government departments are actually planning to spend less this year than last. The Finance Minister's own Department has manoeuvred a whopping 20 per cent increase for this year.

Borrowing Authority

While the Deputy Prime Minister (Mr. Mazankowski) is cutting aid to farmers in agriculture, the Department will enjoy a 21 per cent increase. So much for a government that was allegedly worrying about big bureaucracy.

So what is this Budget all about? Let's talk about universality. The Government has eroded social programs. It has cashed in its portion of unemployment insurance for \$2.9 billion. This affects all Canadians. This Budget destroys the principle of universality. The threshold of \$50,000 for taxing back Old Age Security might be the magic number for today, but what about tomorrow when inflation eats away and the threshold becomes \$40,000 and middle-income families will once again be paying the tab for the Tory grab.

The other universal income support program which has been abandoned is the family allowance. By 1991, with indexing included, a total of \$800 million will be removed from the family allowance program. I would like to know why the Government would give a cheque to a Canadian if there is no benefit. The Minister of Finance (Mr. Wilson) says he has not denied access, and he is right, but he has denied benefit by his claw-back scheme and that is what has been ruined by his tactics. There is no more equal benefit and equal access for all Canadians. These measures are the thin edge of the wedge. Today it is the semi-rich who are affected but tomorrow it could be everyone.

The Tories have cropped regional development assistance and in the Northwest Territories they have not even considered an agency or a program to develop the northern economy. We are not part of the western diversification or any other agency. For three years northerners have been waiting for the Government to take some action, or at least to give some consideration to economic development in the north. More and more the Government is dividing this country. The gap is growing between the have and the have-not regions. The tax measures which hit those on the poverty line hardest put big business people ahead of Canada's most valuable resource.

I am sure you are aware, Mr. Speaker, of the oil and gas development that has been taking place in the Mackenzie Valley and Delta and offshore in the Beaufort Sea since the first quarter of the century. The Canadian Arctic has potential to make Canada energy