

Government Orders

It would seem to me that if the government was taking tough decisions it would not be taking them against the unemployed. It would be taking them against a theoretical thing like the helicopter project. The cold war is over. We do not need the same kind of armaments and equipment that was needed during the cold war, yet here is a single project where the cost has jumped by \$1.4 billion. The government is not cutting back on that. As a matter of fact the government is hanging tough. It has just moved the member for Etobicoke—Lakeshore from his parliamentary secretaryship because he came out opposing it. Likewise many of the leadership candidates are coming out opposing it.

I think that when the member for Ontario asks for suggestions for cutbacks, there is a shining example: \$5.8 billion that could be saved.

The hon. member for Ontario reminds me of the emperor who was parading down the street and suddenly a child said: "But he has no clothes on". Clearly in this case the hon. member for Ontario really has been stripped of any credibility when he is trying to explain why we are taking \$2.5 billion away from the unemployed but we have \$5.8 billion to buy military helicopters that will probably never fight in any war. They will probably only do search and rescue work which could more adequately be done by other less expensive equipment.

We look at the government restraint and the cutting back of \$2.5 billion from the unemployed at a time when the government has passed through the greatest growth period in the history of the nation from 1984 to 1990. It has imposed 35 new taxes, including the GST.

• (1825)

They talk about spending restraint and saving money. It reminds me of Ronald Reagan. What a disaster. He talked about all these things but spent billions. The Prime Minister flies off to the Pacific Rim or to the United States and transports extra equipment, limousines and whatever he wants but the government deficit piles up.

When this government came to power the debt was \$169 billion, this year it will surpass \$450 billion. Are these people really good managers? Could anybody ever have believed that during the longest sustained period of

growth in our history, with the imposition of 35 new taxes, the GST and still the debt has more than doubled in those few years.

What is the government's solution after creating the worst economic recession since the 1930s? It brought in three actions. Three actions are really what did it. It brought in the free trade deal which wiped out all kinds of manufacturing and processing industries. It brought in the GST which was supposed to help those manufacturing and processing industries. In fact that along with the free trade deal has cost some 400,000 manufacturing jobs.

Then to put the real hammer down it imposed extremely high interest rates. During the period 1986 to 1990 it kept the interest rates about four or five points above those in the United States which drove up the value of the dollar from what it was in 1986 so the manufacturing and processing industries got a double whammy.

First of all they were competing with American industries which had 7 or 8 per cent interest rates when our industry had rates of 13 or 14 per cent. They had a dollar catapulting up from the mid or low 70 cent mark to 85 cents, 86 cents or 87 cents.

The pressure of the fiscal and monetary policies was incredible and the most regressive and harmful in history piled on top of these 35 tax increases. Practically every one of those tax increases was a regressive tax. It was an excise tax on gasoline or a sales tax on something else.

Now that the Tories have driven 1.6 million people out of work—there is probably at least two million, 400,000 have just given up looking so they do not count in the estimates—and now in December they say: "Okay, we have put you out of work and now we are going to cut your benefits". Many individuals will face a chop of \$80 or so a month which is pretty painful for a single parent or a family where only one member is working and there are three or four children.

I know about this because in my constituency of Algoma, in the uranium mining town of Elliot Lake during the last two and a half years we have seen some 3,400 highly paid production mining jobs wiped out. With that another 1,500 or more secondary service industry jobs were wiped out.